

**COUNTY OF WINNEBAGO  
SCHOOL DISTRICT NO. 320  
South Beloit, Illinois**

Annual Financial Report

June 30, 2018

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

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BOARD OF EDUCATION

David Brockman, President, to April 2019  
Scott Bonnet, Vice-President, to April 2019  
Terri Perrin, Secretary, to April 2019  
Ed Rottman, Member, to April 2019  
Theodore Zierath, Jr., Member, to April 2019  
Terri Perrin, Member, to April 2019  
Sandra Peterson, Member, to April 2019

\* \* \* \* \*

SECRETARY

Terri Perrin

\* \* \* \* \*

BOOKKEEPER

Terri Gille

\* \* \* \* \*

TREASURER

Theodore Zierath

\* \* \* \* \*

SUPERINTENDENT

Scott Fisher

\* \* \* \* \*

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Annual Financial Report  
June 30, 2018

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## Independent Auditor's Report

Board of Education  
County of Winnebago School District No. 320  
Winnebago County, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of County of Winnebago School District No. 320, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting practices prescribed or permitted by the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described more fully in Note 1, the financial statements are prepared by County of Winnebago School District No. 320 financial reporting practices prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of County of Winnebago School District No. 320, as of June 30, 2018, or the changes in its financial position for the year then ended.

### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of County of Winnebago School District No. 320 as of June 30, 2018, and the revenues it received and expenditures it paid, and budgetary results for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Winnebago School District No. 320's financial statements. The information listed in the table of contents as “Other Information”, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### *Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The schedules listed in the table of contents as “Supplemental Information” are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements of, and is not a required part of the

financial statements of County of Winnebago School District No. 320. The "Supplemental Information" and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole on the basis of accounting as described in Note 1.

The 2017 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to the auditing procedures applied by us and our report dated October 2, 2017 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2017 financial statements taken as a whole on the basis of accounting as described in Note 1.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2018, on our consideration of County of Winnebago School District No. 320's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Winnebago School District No. 320's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Winnebago School District No. 320's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "KPMG LLP". The signature is fluid and cursive, with "KPMG" on top and "LLP" on the bottom right.

Freeport, Illinois  
October 8, 2018



# BENNING GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Board of Education  
County of Winnebago School District No. 320  
Winnebago County, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of County of Winnebago School District No. 320 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise County of Winnebago School District No. 320's financial statements, and have issued our report thereon dated October 8, 2018. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated, on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles, in accordance with regulatory reporting requirements established by the Illinois State Board of Education.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Winnebago School District No. 320's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether County of Winnebago School District No. 320's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we reported to management of County of Winnebago School District No. 320 in a separate letter dated October 8, 2018.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suited or any other purpose.

*Serino Group, LLC*

Freeport, Illinois  
October 8, 2018

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Statements of Assets and Liabilities  
Arising from Cash Transactions  
June 30, 2018

ASSETS								Account Groups					
	Operations & Maintenance		Debt Services		Transportation		Municipal Retirement/ Social Security	Working Cash	Tort	Fire Prevention & Safety	Agency Funds	General Fixed Assets	General Long-Term Debt
	Educational												
Current Assets													
Cash	\$ 6,610,798	\$ 740,508	\$ 569,139	\$ 132,076	\$ 184,716	\$ 357,914	\$ 276,102	\$ 199,097	\$ 91,293	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	<u>\$ 6,610,798</u>	<u>\$ 740,508</u>	<u>\$ 569,139</u>	<u>\$ 132,076</u>	<u>\$ 184,716</u>	<u>\$ 357,914</u>	<u>\$ 276,102</u>	<u>\$ 199,097</u>	<u>\$ 91,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets													
Land	-	-	-	-	-	-	-	-	-	-	-	138,937	-
Building & building improvements	-	-	-	-	-	-	-	-	-	-	-	17,701,422	-
Site improvements & infrastructure	-	-	-	-	-	-	-	-	-	-	-	480,787	-
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	-	1,986,310	-
Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	-	-	569,139	-
Amount to be provided for payment on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 6,610,798</u>	<u>\$ 740,508</u>	<u>\$ 569,139</u>	<u>\$ 132,076</u>	<u>\$ 184,716</u>	<u>\$ 357,914</u>	<u>\$ 276,102</u>	<u>\$ 199,097</u>	<u>\$ 91,293</u>	<u>\$ 20,307,456</u>	<u>\$ 5,662,000</u>	<u>\$ 5,662,000</u>	<u>\$ 5,662,000</u>
<b>LIABILITIES AND FUND BALANCES</b>													
<b>LIABILITIES</b>													
Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll deductions & withholdings	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to activity fund organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-	-	-	-	91,293	-
Long-term Liabilities													
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	-	5,662,000
Total long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	-	5,662,000
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	91,293	-
<b>FUND BALANCES</b>													
Reserved fund balances	580,247	-	-	-	-	94,034	-	-	-	-	-	-	-
Unreserved fund balances	6,030,551	\$ 740,508	\$ 569,139	\$ 132,076	\$ 90,682	\$ 357,914	\$ 276,102	\$ 199,097	\$ -	\$ -	\$ -	\$ -	20,307,456
Investments in general fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>6,610,798</u>	<u>\$ 740,508</u>	<u>\$ 569,139</u>	<u>\$ 132,076</u>	<u>\$ 184,716</u>	<u>\$ 357,914</u>	<u>\$ 276,102</u>	<u>\$ 199,097</u>	<u>\$ 91,293</u>	<u>\$ 20,307,456</u>	<u>\$ 5,662,000</u>	<u>\$ 5,662,000</u>	<u>\$ 5,662,000</u>
Total liabilities and fund balances	<u>\$ 6,610,798</u>	<u>\$ 740,508</u>	<u>\$ 569,139</u>	<u>\$ 132,076</u>	<u>\$ 184,716</u>	<u>\$ 357,914</u>	<u>\$ 276,102</u>	<u>\$ 199,097</u>	<u>\$ 91,293</u>	<u>\$ 20,307,456</u>	<u>\$ 5,662,000</u>	<u>\$ 5,662,000</u>	<u>\$ 5,662,000</u>
See accompanying notes to financial statements.													

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Statements of Revenue Received, Expenditures Disbursed,  
Other Sources (Uses) and Changes in Fund Balances  
Year ended June 30, 2018

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Working Cash	Tort	Fire Prevention & Safety
<b>REVENUE</b>								
Local sources	\$ 3,716,702	\$ 459,846	\$ 1,010,732	\$ 188,529	\$ 282,460	\$ 34,907	\$ 172,828	\$ 41,008
State sources	4,321,851	791,121	-	341,485	-	-	-	-
Federal sources	1,190,709	-	-	-	-	-	-	-
Total direct revenue	9,229,262	1,250,967	1,010,732	530,014	282,460	34,907	172,828	41,008
Revenue for on-behalf payments	497,664	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 9,726,926</b>	<b>\$ 1,250,967</b>	<b>\$ 1,010,732</b>	<b>\$ 530,014</b>	<b>\$ 282,460</b>	<b>\$ 34,907</b>	<b>\$ 172,828</b>	<b>\$ 41,008</b>
<b>EXPENDITURES</b>								
Instruction	\$ 5,337,777	\$ -	\$ -	\$ -	\$ 117,459	\$ -	\$ -	\$ -
Support services	2,814,554	1,212,354	-	-	407,525	160,789	-	148,473
Community services	11,458	-	-	-	-	-	-	46,591
Payments to other districts & gov't units	154,023	-	-	-	-	-	-	-
Debt service	-	-	1,028,761	-	-	-	-	-
Total direct expenditures	8,317,812	1,212,354	1,028,761	407,525	278,248	-	148,473	46,591
Expenditures for on-behalf payments	497,664	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>8,815,476</b>	<b>1,212,354</b>	<b>1,028,761</b>	<b>407,525</b>	<b>278,248</b>	<b>-</b>	<b>148,473</b>	<b>46,591</b>
<b>Excess of direct revenue over (under) direct expenditures</b>	<b>\$ 911,450</b>	<b>\$ 38,613</b>	<b>\$ (18,029)</b>	<b>\$ 122,489</b>	<b>\$ 4,212</b>	<b>\$ 34,907</b>	<b>\$ 24,355</b>	<b>\$ (5,583)</b>
<b>OTHER SOURCES (USES) OF FUNDS</b>								
Abatement or Abolishment of the working cash fund	\$ 2,743	\$ 1,357	\$ (2,743)	\$ -	\$ -	\$ (1,357)	\$ -	\$ -
Transfer of interest	-	-	-	-	-	-	-	-
Principal on bonds sold	-	-	-	-	-	-	-	-
Other uses not classified elsewhere	-	-	-	-	-	-	-	-
<b>Total other sources (uses) of funds</b>	<b>2,743</b>	<b>1,357</b>	<b>(2,743)</b>	<b>-</b>	<b>-</b>	<b>(1,357)</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues and other sources of funds over (under) expenditures and other uses of funds</b>	<b>914,193</b>	<b>39,970</b>	<b>(20,772)</b>	<b>122,489</b>	<b>4,212</b>	<b>33,550</b>	<b>24,355</b>	<b>(5,583)</b>
<b>FUND BALANCES - July 1, 2017</b>	<b>5,696,605</b>	<b>700,538</b>	<b>589,911</b>	<b>9,587</b>	<b>180,504</b>	<b>324,364</b>	<b>251,747</b>	<b>204,680</b>
<b>FUND BALANCES - June 30, 2018</b>	<b>\$ 6,610,798</b>	<b>\$ 740,508</b>	<b>\$ 569,139</b>	<b>\$ 132,076</b>	<b>\$ 184,716</b>	<b>\$ 357,914</b>	<b>\$ 276,102</b>	<b>\$ 199,097</b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Educational Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 2,910,342	\$ 2,892,498	\$ 17,844
Leasing purposes levy	43,373	44,105	(732)
Special education purposes levy	<u>41,578</u>	<u>36,994</u>	<u>4,584</u>
Total ad valorem taxes levied by district	<u>2,995,293</u>	<u>2,973,597</u>	<u>21,696</u>
Payments in lieu of taxes:			
Mobile home privilege tax	6,843	6,843	-
Corporate personal property replacement taxes	<u>592,797</u>	<u>568,348</u>	<u>24,449</u>
Total payments in lieu of taxes	<u>599,640</u>	<u>575,191</u>	<u>24,449</u>
Earnings on investments:			
Interest on investments	<u>51,675</u>	<u>42,148</u>	<u>9,527</u>
Total earnings on investments	<u>51,675</u>	<u>42,148</u>	<u>9,527</u>
Food service:			
Sales to pupils - lunch	243	243	-
Sales to adults	597	646	(49)
Other food service	<u>8,235</u>	<u>7,600</u>	<u>635</u>
Total food service	<u>9,075</u>	<u>8,489</u>	<u>586</u>
District/school activity income:			
Admissions - athletic	13,538	13,665	(127)
Fees	39,254	-	39,254
Book store sales	32	43,633	(43,601)
Other district/school activity revenue	<u>150</u>	<u>350</u>	<u>(200)</u>
Total district/school activity income	<u>52,974</u>	<u>57,648</u>	<u>(4,674)</u>

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Educational Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM LOCAL SOURCES (CONTINUED)</b>			
Other revenue from local sources:			
Contributions and donations from private sources	7,400	7,400	-
Other local revenues	645	700	(55)
Total other revenue from local sources	<u>8,045</u>	<u>8,100</u>	<u>(55)</u>
<b>Total revenue from local sources</b>	<b>\$ 3,716,702</b>	<b>\$ 3,665,173</b>	<b>\$ 51,529</b>
<b>FLOW-THROUGH RECEIPTS/REVENUE FROM ONE DISTRICT TO ANOTHER DISTRICT</b>			
Flow through revenue from state sources	\$ -	\$ -	\$ -
<b>Total flow-through receipts/revenue from one district to another district</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>REVENUE FROM STATE SOURCES</b>			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	\$ 3,633,367	\$ 3,357,878	\$ 275,489
Total unrestricted grants-in-aid	<u>3,633,367</u>	<u>3,357,878</u>	<u>275,489</u>
Restricted grants-in-aid:			
Special education			
Private facility tuition	198,352	158,224	40,128
Funding for children requiring special ed services	70,801	177,002	(106,201)
Personnel	70,026	175,066	(105,040)
Orphans individual	11,230	7,364	3,866
Summer school	2,342	4,970	(2,628)
Total special education	<u>352,751</u>	<u>522,626</u>	<u>(169,875)</u>

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Educational Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM STATE SOURCES (CONTINUED)</b>			
Career and technical education (CTE)			
Secondary program improvement	2,143	2,143	-
Total career and technical education	<u>2,143</u>	<u>2,143</u>	-
State free lunch and breakfast	6,397	5,201	1,196
Driver education	343	1,373	(1,030)
Early childhood - block grant	306,850	324,666	(17,816)
Other restricted revenue from state sources	<u>20,000</u>	<u>32,225</u>	<u>(12,225)</u>
Total restricted grants-in-aid	<u>688,484</u>	<u>888,234</u>	<u>(199,750)</u>
<b>Total revenue from state sources</b>	<b><u>\$ 4,321,851</u></b>	<b><u>\$ 4,246,112</u></b>	<b><u>\$ 75,739</u></b>
<b>REVENUE FROM FEDERAL SOURCES</b>			
Restricted grants-in-aid received directly from federal government			
Other restricted grants-in-aid received directly from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenue from other restricted grants	<u>-</u>	<u>-</u>	<u>-</u>
Restricted grants-in-aid received from federal government through the state:			
Food service			
National school lunch program	292,598	293,843	(1,245)
School breakfast program	<u>94,955</u>	<u>85,613</u>	<u>9,342</u>
Total food service	<u>387,553</u>	<u>379,456</u>	<u>8,097</u>
Title I			
Low income	<u>424,704</u>	<u>451,404</u>	<u>(26,700)</u>
Total Title I	<u>424,704</u>	<u>451,404</u>	<u>(26,700)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Educational Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM FEDERAL SOURCES (CONTINUED)</b>			
Title IV			
Safe and drug free schools	<u>14,701</u>	<u>16,737</u>	<u>(2,036)</u>
Total Title IV	<u>14,701</u>	<u>16,737</u>	<u>(2,036)</u>
Federal - special education			
Preschool flow-through	<u>14,031</u>	<u>20,502</u>	<u>(6,471)</u>
IDEA flow-through	<u>274,378</u>	<u>298,556</u>	<u>(24,178)</u>
Total federal - special education	<u>288,409</u>	<u>319,058</u>	<u>(30,649)</u>
Title II - teacher quality	<u>41,694</u>	<u>45,695</u>	<u>(4,001)</u>
Medicaid matching funds - administrative outreach	<u>16,782</u>	<u>19,679</u>	<u>(2,897)</u>
Medicaid matching funds - fee-for-service program	<u>16,866</u>	<u>23,763</u>	<u>(6,897)</u>
<b>Total revenue from federal sources</b>	<u>\$ 1,190,709</u>	<u>\$ 1,255,792</u>	<u>\$ (65,083)</u>
<b>Total direct revenue</b>	<u>\$ 9,229,262</u>	<u>\$ 9,167,077</u>	<u>\$ 62,185</u>

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>INSTRUCTION</b>			
Regular programs:			
Salaries	\$ 2,720,391	\$ 2,737,651	\$ (17,260)
Employee benefits	475,638	688,376	(212,738)
Purchased services	19,303	21,775	(2,472)
Supplies and materials	155,083	192,746	(37,663)
Capital outlay	41,971	45,857	(3,886)
Other objects	74,250	83,000	(8,750)
	<hr/>	<hr/>	<hr/>
Total regular programs	<hr/>	<hr/>	<hr/>
	3,486,636	3,769,405	(282,769)
Pre-k programs:			
Salaries	149,687	150,100	(413)
Employee benefits	12,455	13,195	(740)
Supplies and materials	5,628	5,628	-
Capital outlay	13,112	14,587	(1,475)
	<hr/>	<hr/>	<hr/>
Total pre-k programs	<hr/>	<hr/>	<hr/>
	180,882	183,510	(2,628)
Special education programs:			
Salaries	761,116	789,973	(28,857)
Employee benefits	140,142	144,902	(4,760)
Purchased services	446	14,360	(13,914)
Supplies and materials	2,073	7,200	(5,127)
Other objects	180	900	(720)
	<hr/>	<hr/>	<hr/>
Total special education programs	<hr/>	<hr/>	<hr/>
	903,957	957,335	(53,378)
Remedial and supplemental programs:			
Salaries	113,412	121,000	(7,588)
Employee benefits	46,267	46,986	(719)
Purchased services	34,083	36,500	(2,417)
Supplies and materials	12,015	12,523	(508)
	<hr/>	<hr/>	<hr/>
Total remedial and supplemental programs	<hr/>	<hr/>	<hr/>
	205,777	217,009	(11,232)

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>INSTRUCTION (CONTINUED)</b>			
CTE programs:			
Salaries	71,977	73,030	(1,053)
Employee benefits	8,217	10,015	(1,798)
Supplies and materials	<u>3,868</u>	<u>6,500</u>	<u>(2,632)</u>
Total CTE programs	<u>84,062</u>	<u>89,545</u>	<u>(5,483)</u>
Interscholastic programs:			
Salaries	129,529	133,201	(3,672)
Employee benefits	2,893	3,720	(827)
Purchased services	20,918	26,325	(5,407)
Supplies and materials	44,380	71,935	(27,555)
Capital outlay	12,833	20,476	(7,643)
Other objects	<u>6,715</u>	<u>7,500</u>	<u>(785)</u>
Total interscholastic programs	<u>217,268</u>	<u>263,157</u>	<u>(45,889)</u>
Summer school programs			
Salaries	2,038	2,038	-
Employee benefits	<u>72</u>	<u>72</u>	<u>-</u>
Total summer school programs	<u>2,110</u>	<u>2,110</u>	<u>-</u>
Driver's education programs			
Purchased services	<u>7,375</u>	<u>7,400</u>	<u>(25)</u>
Total driver's education programs	<u>7,375</u>	<u>7,400</u>	<u>(25)</u>
Bilingual programs			
Salaries	39,274	42,031	(2,757)
Purchased services	1,038	1,500	(462)
Supplies and materials	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Total bilingual programs	<u>40,312</u>	<u>44,531</u>	<u>(4,219)</u>

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>INSTRUCTION (CONTINUED)</b>			
Special education programs K-12 - private tuition:			
Other objects	<u>209,398</u>	<u>215,342</u>	<u>(5,944)</u>
Total special education program K-12 - private tuition	<u>209,398</u>	<u>215,342</u>	<u>(5,944)</u>
<b>Total instruction</b>	<b><u>\$ 5,337,777</u></b>	<b><u>\$ 5,749,344</u></b>	<b><u>\$ (411,567)</u></b>
<b>SUPPORT SERVICES</b>			
<b>Support services - pupils</b>			
Attendance and social work services:			
Salaries	<u>\$ 142,544</u>	<u>\$ 143,894</u>	<u>\$ (1,350)</u>
Employee benefits	<u>22,245</u>	<u>22,535</u>	<u>(290)</u>
Purchased services	<u>2,339</u>	<u>2,525</u>	<u>(186)</u>
Supplies and materials	<u>279</u>	<u>1,000</u>	<u>(721)</u>
Total attendance and social work services	<u>167,407</u>	<u>169,954</u>	<u>(2,547)</u>
Guidance services:			
Salaries	<u>70,495</u>	<u>71,283</u>	<u>(788)</u>
Employee benefits	<u>9,976</u>	<u>11,045</u>	<u>(1,069)</u>
Purchased services	<u>37</u>	<u>150</u>	<u>(113)</u>
Supplies and materials	<u>-</u>	<u>500</u>	<u>(500)</u>
Total guidance services	<u>80,508</u>	<u>82,978</u>	<u>(2,470)</u>
Health services:			
Salaries	<u>154,452</u>	<u>159,667</u>	<u>(5,215)</u>
Employee benefits	<u>44,564</u>	<u>44,589</u>	<u>(25)</u>
Purchased services	<u>82,425</u>	<u>77,285</u>	<u>5,140</u>
Supplies and materials	<u>732</u>	<u>2,500</u>	<u>(1,768)</u>
Capital outlay	<u>-</u>	<u>500</u>	<u>(500)</u>
Other objects	<u>84</u>	<u>250</u>	<u>(166)</u>
Total health services	<u>282,257</u>	<u>284,791</u>	<u>(2,534)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES (CONTINUED)</b>			
<b>Support services - pupils (continued)</b>			
Psychological services:			
Salaries	74,751	73,949	802
Employee benefits	9,123	10,904	(1,781)
Purchased services	714	1,025	(311)
Supplies and materials	2,360	2,500	(140)
Other objects	442	500	(58)
	<hr/>	<hr/>	<hr/>
Total psychological services	<hr/>	<hr/>	<hr/>
	87,390	88,878	(1,488)
Speech pathology & audiology services			
Salaries	80,309	80,309	-
Employee benefits	3,605	3,767	(162)
Purchased services	1,026	1,586	(560)
Supplies & materials	1,778	5,039	(3,261)
Other objects	-	1,000	(1,000)
	<hr/>	<hr/>	<hr/>
Total speech pathology & audiology services	<hr/>	<hr/>	<hr/>
	86,718	91,701	(4,983)
Other support services - pupils:			
Salaries	16,381	20,864	(4,483)
Employee benefits	578	731	(153)
	<hr/>	<hr/>	<hr/>
Total other support services - pupils	<hr/>	<hr/>	<hr/>
	16,959	21,595	(4,636)
<b>Total support services - pupils</b>	<b>\$ 721,239</b>	<b>\$ 739,897</b>	<b>\$ (18,658)</b>
<b>Support services - instructional staff</b>			
Improvement of instruction services:			
Salaries	\$ 380	\$ 2,418	\$ (2,038)
Purchased services	32,572	38,352	(5,780)
Supplies and materials	5,658	6,500	(842)
	<hr/>	<hr/>	<hr/>
Total improvement of instruction services	<hr/>	<hr/>	<hr/>
	38,610	47,270	(8,660)

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES (CONTINUED)</b>			
<b>Support services - general administration</b>			
Educational media services:			
Salaries	169,144	167,951	1,193
Employee benefits	43,452	43,452	-
Supplies and materials	<u>2,597</u>	<u>3,717</u>	<u>(1,120)</u>
Total educational media services	<u>215,193</u>	<u>215,120</u>	<u>73</u>
Assessment & testing			
Purchased services	<u>2,913</u>	<u>1,000</u>	<u>1,913</u>
Total assessment & testing	<u>2,913</u>	<u>1,000</u>	<u>1,913</u>
<b>Total support services - instructional staff</b>	<b>\$ 256,716</b>	<b>\$ 263,390</b>	<b>\$ (6,674)</b>
<b>Support services - general administration</b>			
Board of education services:			
Salaries	\$ 1,371	\$ 1,486	\$ (115)
Purchased services	14,987	21,660	(6,673)
Supplies and materials	13,583	15,500	(1,917)
Other objects	<u>19,039</u>	<u>24,100</u>	<u>(5,061)</u>
Total board of education services	<u>48,980</u>	<u>62,746</u>	<u>(13,766)</u>
Executive administration services:			
Salaries	180,579	181,427	(848)
Employee benefits	47,165	47,225	(60)
Purchased services	5,232	4,910	322
Supplies and materials	5,768	5,500	268
Other objects	<u>1,022</u>	<u>3,500</u>	<u>(2,478)</u>
Total executive administration services	<u>239,766</u>	<u>242,562</u>	<u>(2,796)</u>
Special area administration services:			
Salaries	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Total special area administration services	<u>3,500</u>	<u>3,500</u>	<u>-</u>

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES (CONTINUED)</b>			
<b>Support services - general administration</b>			
Tort immunity services:			
Purchased services	1,393	6,000	(4,607)
Total tort immunity services	<u>1,393</u>	<u>6,000</u>	<u>(4,607)</u>
<b>Total support services - general administration</b>	<b>\$ 293,639</b>	<b>\$ 314,808</b>	<b>\$ (21,169)</b>
<b>Support services - school administration</b>			
Office of the principal services:			
Salaries	\$ 588,309	\$ 594,996	\$ (6,687)
Employee benefits	151,076	155,721	(4,645)
Purchased services	19,996	28,071	(8,075)
Supplies and materials	1,748	5,600	(3,852)
Other objects	<u>3,533</u>	<u>3,600</u>	<u>(67)</u>
Total office of the principal services	<u>764,662</u>	<u>787,988</u>	<u>(23,326)</u>
<b>Total support services - school administration</b>	<b>\$ 764,662</b>	<b>\$ 787,988</b>	<b>\$ (23,326)</b>
<b>Support services - business</b>			
Direction of business support services:			
Salaries	\$ 33,377	\$ 33,377	\$ -
Employee benefits	10,369	10,370	(1)
Purchased services	4,177	5,500	(1,323)
Supplies and materials	3,143	2,500	643
Other objects	<u>225</u>	<u>275</u>	<u>(50)</u>
Total direction of business support services	<u>51,291</u>	<u>52,022</u>	<u>(731)</u>
Fiscal services:			
Salaries	33,377	33,377	-
Employee benefits	8,650	10,370	(1,720)
Purchased services	12,000	17,215	(5,215)
Supplies and materials	510	2,500	(1,990)
Other objects	<u>-</u>	<u>250</u>	<u>(250)</u>
Total fiscal services	<u>54,537</u>	<u>63,712</u>	<u>(9,175)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES (CONTINUED)</b>			
<b>Support services - business (continued)</b>			
Operation and maintenance of plant services:			
Purchased services	8,000	8,000	-
Supplies and materials	5,000	5,000	-
Capital outlay	<u>40,710</u>	<u>53,299</u>	<u>(12,589)</u>
Total fiscal services	<u>53,710</u>	<u>66,299</u>	<u>(12,589)</u>
Food services:			
Salaries	162,030	162,700	(670)
Employee benefits	9,016	9,016	-
Purchased services	14,100	15,650	(1,550)
Supplies and materials	178,579	214,428	(35,849)
Capital outlay	24,981	7,000	17,981
Other objects	<u>138</u>	<u>2,600</u>	<u>(2,462)</u>
Total food services	<u>388,844</u>	<u>411,394</u>	<u>(22,550)</u>
<b>Total support services - business</b>	<b><u>\$ 548,382</u></b>	<b><u>\$ 593,427</u></b>	<b><u>\$ (45,045)</u></b>
<b>Support services - central</b>			
Information services:			
Salaries	\$ 19,380	\$ 22,500	\$ (3,120)
Employee benefits	19,352	19,353	(1)
Purchased services	73,999	80,935	(6,936)
Supplies and materials	20,030	20,048	(18)
Capital outlay	<u>41,610</u>	<u>41,609</u>	<u>1</u>
Total information services	<u>174,371</u>	<u>184,445</u>	<u>(10,074)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES (CONTINUED)</b>			
<b>Support services - central (continued)</b>			
Data processing services:			
Salaries	40,671	33,990	6,681
Employee benefits	8,421	11,860	(3,439)
Purchased services	5,646	5,705	(59)
Supplies and materials	807	1,000	(193)
Total data processing services	<u>55,545</u>	<u>52,555</u>	<u>2,990</u>
<b>Total support services - central</b>	<u>\$ 229,916</u>	<u>\$ 237,000</u>	<u>\$ (7,084)</u>
<b>Total support services</b>	<u>\$ 2,814,554</u>	<u>\$ 2,936,510</u>	<u>\$ (121,956)</u>
<b>COMMUNITY SERVICES</b>			
Purchased services	\$ 7,990	\$ 10,645	\$ (2,655)
Supplies and materials	<u>3,468</u>	<u>5,992</u>	<u>(2,524)</u>
<b>Total community services</b>	<u>\$ 11,458</u>	<u>\$ 16,637</u>	<u>\$ (5,179)</u>
<b>PAYMENTS TO OTHER DISTRICTS &amp; GOV'T UNITS</b>			
<b>Payments to other districts &amp; gov't units (in-state)</b>			
Payments for special education programs:			
Purchased services	\$ 16,524	\$ 16,524	\$ -
Other objects	<u>67,371</u>	<u>72,709</u>	<u>(5,338)</u>
Total payments for special education programs	<u>83,895</u>	<u>89,233</u>	<u>(5,338)</u>
Other payments to in-state gov't units			
Other objects	-	1,397	(1,397)
Total other payments to in state gov't units	-	1,397	(1,397)
<b>Total payments to other gov't units (in-state)</b>	<u>83,895</u>	<u>90,630</u>	<u>(6,735)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>PAYMENTS TO OTHER DISTRICTS &amp; GOV'T UNITS (CONTINUED)</b>			
Payments for regular programs - tuition			
Other objects	\$ 24,745	\$ 24,315	\$ 430
Payments for special education programs - tuition			
Other objects	45,383	45,143	240
<b>Total payments to other districts &amp; gov't units - tuition (in-state)</b>	<b>\$ 70,128</b>	<b>\$ 69,458</b>	<b>\$ 670</b>
<b>Total payments to other districts &amp; gov't units</b>	<b>\$ 154,023</b>	<b>\$ 160,088</b>	<b>\$ (6,065)</b>
<b>Total direct expenditures</b>	<b>\$ 8,317,812</b>	<b>\$ 8,862,579</b>	<b>\$ (544,767)</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 911,450</b>	<b>\$ 304,498</b>	<b>\$ 606,952</b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Operations and Maintenance Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 451,944	\$ 449,287	\$ 2,657
Total ad valorem taxes levied by district	<u>451,944</u>	<u>449,287</u>	<u>2,657</u>
Payments in lieu of taxes:			
Mobile home privilege tax	<u>1,041</u>	<u>1,041</u>	<u>-</u>
Total payments in lieu of taxes	<u>1,041</u>	<u>1,041</u>	<u>-</u>
Earnings on investments:			
Interest on investments	<u>5,221</u>	<u>4,248</u>	<u>973</u>
Total earnings on investments	<u>5,221</u>	<u>4,248</u>	<u>973</u>
Other revenue from local sources:			
Rentals	<u>1,640</u>	<u>1,540</u>	<u>100</u>
Total other revenue from local sources	<u>1,640</u>	<u>1,540</u>	<u>100</u>
<b>Total revenue from local sources</b>	<b>\$ 459,846</b>	<b>\$ 456,116</b>	<b>\$ 3,730</b>
<b>REVENUE FROM STATE SOURCES</b>			
Unrestricted grants-in-aid:			
Evidence based funding formula - section 18-8.05	<u>\$ 791,121</u>	<u>\$ 791,121</u>	<u>\$ -</u>
Total unrestricted grants-in-aid	<u>791,121</u>	<u>791,121</u>	<u>-</u>
<b>Total revenue from state sources</b>	<b>\$ 791,121</b>	<b>\$ 791,121</b>	<b>\$ -</b>
<b>REVENUE FROM FEDERAL SOURCES</b>			
Restricted grants-in-aid:			
Other restricted grants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total restricted grants-in-aid	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Total revenue from federal sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total direct revenue</b>	<b>\$ 1,250,967</b>	<b>\$ 1,247,237</b>	<b>\$ 3,730</b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Operations and Maintenance Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES</b>			
Support services - business:			
Operations and maintenance of plant services			
Salaries	\$ 203,292	\$ 198,125	\$ 5,167
Employee benefits	31,481	31,481	-
Purchased services	454,865	496,543	(41,678)
Supplies and materials	441,351	448,752	(7,401)
Capital outlay	81,365	130,245	(48,880)
Total operations and maintenance of plant services	<u>1,212,354</u>	<u>1,305,146</u>	<u>(92,792)</u>
<b>Total support services</b>	<u><b>\$ 1,212,354</b></u>	<u><b>\$ 1,305,146</b></u>	<u><b>\$ (92,792)</b></u>
<b>PAYMENTS TO OTHER DISTRICTS &amp; GOV'T UNITS</b>			
Payments to other governmental units (in-state):			
Payments for CTE programs	\$ -	\$ -	\$ -
Other objects	\$ -	\$ -	\$ -
<b>Total payments to other districts &amp; gov't units</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>
<b>Total direct expenditures</b>	<u><b>\$ 1,212,354</b></u>	<u><b>\$ 1,305,146</b></u>	<u><b>\$ (92,792)</b></u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u><b>\$ 38,613</b></u>	<u><b>\$ (57,909)</b></u>	<u><b>\$ 96,522</b></u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Debt Services Fund

Statement of Revenues Received - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 1,005,677	\$ 1,024,140	\$ (18,463)
Total ad valorem taxes levied by district	<u>1,005,677</u>	<u>1,024,140</u>	<u>(18,463)</u>
Payments in lieu of taxes:			
Mobile home privilege tax	2,312	2,313	(1)
Total payments in lieu of taxes	<u>2,312</u>	<u>2,313</u>	<u>(1)</u>
Earnings on investments:			
Interest on investments	2,743	2,308	435
Total earnings on investments	<u>2,743</u>	<u>2,308</u>	<u>435</u>
<b>Total revenue from local sources</b>	<u>\$ 1,010,732</u>	<u>\$ 1,028,761</u>	<u>\$ (18,029)</u>
<b>Total direct revenue</b>	<u>\$ 1,010,732</u>	<u>\$ 1,028,761</u>	<u>\$ (18,029)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Debt Services Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>DEBT SERVICES</b>			
Debt services - interest on long-term debt:			
Other objects	\$ 177,011	\$ 177,011	\$ -
Debt services - principal on long-term debt:			
Other objects	850,000	850,000	-
Debt services - other			
Other objects	1,750	1,750	-
<b>Total debt services</b>	<b>\$ 1,028,761</b>	<b>\$ 1,028,761</b>	<b>\$ -</b>
<b>Total direct expenditures</b>	<b>\$ 1,028,761</b>	<b>\$ 1,028,761</b>	<b>\$ -</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (18,029)</b>	<b>\$ -</b>	<b>\$ (18,029)</b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Transportation Fund

Statement of Revenues Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 187,924	\$ 186,578	\$ 1,346
Total ad valorem taxes levied by district	<u>187,924</u>	<u>186,578</u>	<u>1,346</u>
Payments in lieu of taxes:			
Mobile home privilege tax	419	419	-
Total payments in lieu of taxes	<u>419</u>	<u>419</u>	<u>-</u>
Earnings on investments:			
Interest on investments	186	103	83
Total earnings on investments	<u>186</u>	<u>103</u>	<u>83</u>
<b>Total revenue from local sources</b>	<b>\$ 188,529</b>	<b>\$ 187,100</b>	<b>\$ 1,429</b>
<b>REVENUE FROM STATE SOURCES</b>			
Restricted grants-in-aid:			
Transportation			
Regular/vocational	\$ 206,081	\$ 158,513	\$ 47,568
Special education	<u>111,404</u>	<u>96,405</u>	<u>14,999</u>
Total transportation	<u>317,485</u>	<u>254,918</u>	<u>62,567</u>
Early childhood - block grant	24,000	29,000	(5,000)
Total restricted grants-in-aid	<u>341,485</u>	<u>283,918</u>	<u>57,567</u>
<b>Total revenue from state sources</b>	<b>\$ 341,485</b>	<b>\$ 283,918</b>	<b>\$ 57,567</b>
<b>REVENUE FROM FEDERAL SOURCES</b>			
Restricted grants-in-aid received from federal government through the state:			
Medicaid matching funds - fee for service programs	\$ -	\$ -	\$ -
<b>Total revenue from federal sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total direct revenue</b>	<b>\$ 530,014</b>	<b>\$ 471,018</b>	<b>\$ 58,996</b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Transportation Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>SUPPORT SERVICES</b>			
Support services - business:			
Pupil transportation services	\$ 407,525	\$ 432,960	\$ (25,435)
Purchased services	<u>407,525</u>	<u>432,960</u>	<u>(25,435)</u>
<b>Total pupil transportation services</b>	<b>\$ 407,525</b>	<b>\$ 432,960</b>	<b>\$ (25,435)</b>
<b>Total support services</b>	<b>\$ 407,525</b>	<b>\$ 432,960</b>	<b>\$ (25,435)</b>
<b>PAYMENTS TO OTHER DISTRICTS &amp; GOV'T UNITS</b>			
Payments to other gov't units (in-state):			
Payment for special education programs	\$ -	\$ -	\$ -
Purchased services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total payment for special education programs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total payments to other districts &amp; gov't units</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total direct expenditures</b>	<b>\$ 407,525</b>	<b>\$ 432,960</b>	<b>\$ (25,435)</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 122,489</b>	<b>\$ 38,058</b>	<b>\$ 84,431</b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Municipal Retirement / Social Security Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 38,933	\$ 37,392	\$ 1,541
FICA/Medicare only purposes levies	<u>178,933</u>	<u>178,828</u>	<u>105</u>
Total ad valorem taxes levied by district	<u>217,866</u>	<u>216,220</u>	<u>1,646</u>
Payments in lieu of taxes:			
Mobile home privilege tax	481	481	-
Corporate personal property replacement taxes	<u>63,466</u>	<u>36,677</u>	<u>26,789</u>
Total payments in lieu of taxes	<u>63,947</u>	<u>37,158</u>	<u>26,789</u>
Earnings on investments:			
Interest on investments	<u>647</u>	<u>575</u>	<u>72</u>
Total earnings on investments	<u>647</u>	<u>575</u>	<u>72</u>
<b>Total revenue from local sources</b>	<b>\$ 282,460</b>	<b>\$ 253,953</b>	<b>\$ 28,507</b>
<b>REVENUE FROM STATE SOURCES</b>			
Unrestricted grants-in-aid:			
General state aid - section 18-8.05	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total unrestricted grants-in-aid	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue from state sources</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Total direct revenue</b>	<b><u>\$ 282,460</u></b>	<b><u>\$ 253,953</u></b>	<b><u>\$ 28,507</u></b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>INSTRUCTION</b>			
Regular programs:			
Employee benefits	\$ 62,769	\$ 42,331	\$ 20,438
Pre-k programs:			
Employee benefits	8,798	8,337	461
Special education programs:			
Employee benefits	27,062	55,131	(28,069)
Remedial and supplemental programs - K-12:			
Employee benefits	5,596	7,014	(1,418)
CTE programs:			
Employee benefits	1,039	1,040	(1)
Interscholastic programs:			
Employee benefits	5,948	6,540	(592)
Summer school program			
Employee benefits	30	50	(20)
Bilingual programs:			
Employee benefits	6,217	6,523	(306)
<b>Total instruction</b>	<b>\$ 117,459</b>	<b>\$ 126,966</b>	<b>\$ (9,507)</b>
<b>SUPPORT SERVICES</b>			
Support services - pupils:			
Attendance and social work services			
Employee benefits	\$ 4,982	\$ 5,120	\$ (138)
Guidance services			
Employee benefits	1,026	1,000	26
Health services			
Employee benefits	16,923	17,149	(226)

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES (CONTINUED)</b>			
Support services - pupils (continued):			
Psychological services			
Employee benefits	4,107	4,099	8
Speech pathology & audiology services			
Employee benefits	1,188	1,185	3
Other support services - pupils			
Employee benefits	241	303	(62)
Total support services - pupils	<u>28,467</u>	<u>28,856</u>	<u>(389)</u>
Support services - instructional staff:			
Educational media services			
Employee benefits	25,620	27,006	(1,386)
Total support services - instructional staff	<u>25,620</u>	<u>27,006</u>	<u>(1,386)</u>
Support services - general administration:			
Board of education services			
Employee benefits	202	218	(16)
Executive administration services			
Employee benefits	6,106	6,784	(678)
Total support services - general administration	<u>6,308</u>	<u>7,002</u>	<u>(694)</u>
Support services - school administration:			
Office of the principal services			
Employee benefits	26,451	26,642	(191)
Total support services - school administration	<u>26,451</u>	<u>26,642</u>	<u>(191)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES (CONTINUED)</b>			
Support services - business:			
Direction of business support services			
Employee benefits	<u>5,092</u>	<u>5,090</u>	<u>2</u>
Fiscal services			
Employee benefits	<u>5,091</u>	<u>5,090</u>	<u>1</u>
Operations and maintenance of plant services			
Employee benefits	<u>30,321</u>	<u>30,826</u>	<u>(505)</u>
Food services			
Employee benefits	<u>24,917</u>	<u>25,220</u>	<u>(303)</u>
Total support services - business	<u>65,421</u>	<u>66,226</u>	<u>(805)</u>
Support services - central:			
Information services			
Employee benefits	<u>2,227</u>	<u>2,393</u>	<u>(166)</u>
Data processing services			
Employee benefits	<u>6,295</u>	<u>6,427</u>	<u>(132)</u>
Total support services - central	<u>8,522</u>	<u>8,820</u>	<u>(298)</u>
<b>Total support services</b>	<u>\$ 160,789</u>	<u>\$ 164,552</u>	<u>\$ (3,763)</u>
<b>COMMUNITY SERVICES</b>			
Employee benefits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total community services</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total direct expenditures</b>	<u>\$ 278,248</u>	<u>\$ 291,518</u>	<u>\$ (13,270)</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ 4,212</u>	<u>\$ (37,565)</u>	<u>\$ 41,777</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Working Cash Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 31,879	\$ 31,573	\$ 306
Total ad valorem taxes levied by district	<u>31,879</u>	<u>31,573</u>	<u>306</u>
Payments in lieu of taxes:			
Mobile home privilege tax	67	67	-
Total payments in lieu of taxes	<u>67</u>	<u>67</u>	<u>-</u>
Earnings on investments:			
Interest on investments	<u>2,961</u>	<u>2,376</u>	<u>585</u>
Total earnings on investments	<u>2,961</u>	<u>2,376</u>	<u>585</u>
<b>Total revenue from local sources</b>	<b>\$ 34,907</b>	<b>\$ 34,016</b>	<b>\$ 891</b>
<b>Total direct revenue</b>	<b><u>\$ 34,907</u></b>	<b><u>\$ 34,016</u></b>	<b><u>\$ 891</u></b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Tort Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 156,487	\$ 162,012	\$ (5,525)
Total ad valorem taxes levied by district	<u>156,487</u>	<u>162,012</u>	<u>(5,525)</u>
Payments in lieu of taxes:			
Mobile home privilege tax	366	366	-
Total payments in lieu of taxes	<u>366</u>	<u>366</u>	<u>-</u>
Earnings on investments:			
Interest on investments	1,741	1,415	326
Total earnings on investments	<u>1,741</u>	<u>1,415</u>	<u>326</u>
Other revenue from local sources:			
Refund of prior years' expenditures	14,234	-	14,234
Total other revenue from local sources	<u>14,234</u>	<u>-</u>	<u>14,234</u>
<b>Total revenue from local sources</b>	<b>\$ 172,828</b>	<b>\$ 163,793</b>	<b>\$ 9,035</b>
<b>Total direct revenue</b>	<b><u>\$ 172,828</u></b>	<b><u>\$ 163,793</u></b>	<b><u>\$ 9,035</u></b>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Tort Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	Actual	Budget	Actual over (under) Budget
<b>SUPPORT SERVICES</b>			
Support services - general administration:			
Workers' compensation or workers' occupation disease acts payments			
Purchased services	\$ 32,608	\$ 35,608	\$ (3,000)
Unemployment insurance payments			
Purchased services	327	5,000	(4,673)
Risk management and claims services payments			
Purchased services	76,987	83,929	(6,942)
Other objects	6,903	9,600	(2,697)
Total risk management and claims services payments	<u>83,890</u>	<u>93,529</u>	<u>(9,639)</u>
Legal services			
Purchased services	1,362	1,500	(138)
Property insurance (buildings and grounds)			
Purchased services	30,286	28,156	2,130
<b>Total support services</b>	<u>\$ 148,473</u>	<u>\$ 163,793</u>	<u>\$ (15,320)</u>
<b>Total direct expenditures</b>	<u>\$ 148,473</u>	<u>\$ 163,793</u>	<u>\$ (15,320)</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ 24,355</u>	<u>\$ -</u>	<u>\$ 24,355</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Fire Prevention and Safety Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 39,266	\$ 40,215	\$ (949)
Total ad valorem taxes levied by district	<u>39,266</u>	<u>40,215</u>	<u>(949)</u>
Payments in lieu of taxes:			
Mobile home privilege tax	95	95	-
Total payments in lieu of taxes	<u>95</u>	<u>95</u>	<u>-</u>
Earnings on investments:			
Interest on investments	1,647	1,315	332
Total earnings on investments	<u>1,647</u>	<u>1,315</u>	<u>332</u>
<b>Total revenue from local sources</b>	<u>\$ 41,008</u>	<u>\$ 41,625</u>	<u>\$ (617)</u>
<b>Total direct revenue</b>	<u>\$ 41,008</u>	<u>\$ 41,625</u>	<u>\$ (617)</u>

See accompanying notes to financial statements.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

## Fire Prevention and Safety Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>SUPPORT SERVICES</b>			
Support services - business:			
Operations and maintenance of plant services	\$ 250	\$ 4,049	\$ (3,799)
Purchased services	<u>46,341</u>	<u>46,341</u>	<u>-</u>
Capital outlay			
Total operations and maintenance of plant services	<u>46,591</u>	<u>50,390</u>	<u>(3,799)</u>
<b>Total support services</b>	<b>\$ 46,591</b>	<b>\$ 50,390</b>	<b>\$ (3,799)</b>
<b>Total direct expenditures</b>	<b>\$ 46,591</b>	<b>\$ 50,390</b>	<b>\$ (3,799)</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (5,583)</b>	<b>\$ (8,765)</b>	<b>\$ 3,182</b>

See accompanying notes to financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

June 30, 2018

**(1) Summary of Significant Accounting Policies**

The District's accounting policies conform to the cash basis of accounting, as defined by the Illinois State Board of Education.

***(a) Principles Used to Determine the Scope of the Reporting Entity***

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria, and, are therefore excluded from the accompanying financial statements because the District does not control the assets, operations or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

***(b) Basis of Presentation – Fund Accounting***

These financial statements comply with the regulatory basis of reporting as prescribed by the Illinois State Board of Education.

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received and expenditures paid. The District maintains individual funds required by the State of Illinois. These funds are presented on the regulatory basis as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities arising from cash transactions are accounted for through governmental funds.

*Educational Fund* – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

*Operations and Maintenance Fund* – This fund is also a general operating fund used to account for costs of maintaining school buildings.

*Debt Service Fund* – This fund is a debt retirement fund. Resources of this fund are used to retire principal and interest maturities of outstanding bond obligations and other long-term debt instruments.

*Transportation Fund* – This fund is a special revenue fund used to account for the costs of transporting pupils to and from school and school activities.

*Municipal Retirement/Social Security Fund* – This fund is a special revenue fund used to pay the District's share of municipal retirement benefits for covered employees. The District's share of Social Security and Medicare-only is also paid from this fund.

*Working Cash Fund* – The resources of this fund are held by the District to be used for temporary interfund loans to any fund of the District for which taxes are levied.

*Tort Fund* – This fund is a special revenue fund used to account for tort immunity or tort judgment purposes.

*Fire Prevention and Safety Fund* – Proceeds of fire prevention and safety bond issues and tax levy are accounted for in this fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

*Agency Funds* – Agency funds include Student Activity Funds. Student Activity Funds are those that are owned, operated and managed generally for educational, recreational and cultural purposes by the student body under the guidance and direction of adults or a staff member. Although the Board of Education has the ultimate responsibility for Student Activity Funds, they are not local education funds.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

Governmental Funds – Measurement Focus

The financial statements of all governmental funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

**(c) Basis of Accounting**

Basis of accounting refers to when revenue received and expenditures paid are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenue is recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when cash is received or when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(d) Budgets and Budgetary Accounting**

The budget for all Governmental Fund Types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1. The budget was passed on September 12, 2017 and amended on May 8, 2018. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held as to such budget prior to final action.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget by the same procedures required of its original adoption.

**(e) Cash**

The District considers cash on hand, cash on deposit with banks and other institutions, certificates of deposit, money market accounts, and repurchase agreements to be cash for financial statement purposes.

**(f) Investments**

All investments are reported at fair value. The District has adopted a formal written investment policy. The institutions in which investments are made must be approved by the Board of Education.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(g) *Commingled Accounts***

The District uses common bank accounts to hold the monies of more than one fund. Interest earned on these common accounts is credited to each participating fund based on its approximate share of the account prior to the payment of interest.

**(h) *General Fixed Assets***

General fixed assets with expected useful lives that exceed one year and cost more than \$500, are recorded as expenditures paid in the Governmental or Activity Funds and capitalized at cost in the general fixed assets account group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

Depreciation is computed using the straight line method over estimated lives ranging from three to fifty years. Estimated lives are determined based on the policies prescribed by the Illinois State Board of Education.

**(2) *Property Taxes***

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the board on November 14, 2017. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts during June, July, August, September, October, and November. Taxes recorded in these financial statements are from the 2017, 2016, and prior tax levies.

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Notes to Financial Statements

The following are the tax rate limits permitted by the *Illinois Compiled Statutes* and by local referendum and the actual rates levied per \$100 of assessed valuation:

	- 2017 Levy Year -		- 2016 Levy Year -	
	Limit	Actual	Limit	Actual
Educational	As Needed	3.8956	4.0000	4.0000
Oper. & maint.	0.7500	0.6017	0.7500	0.625
Debt Service	As Needed	1.3410	As Needed	1.3883
Transportation	As Needed	0.2572	As Needed	0.2516
Municipal retirement	As Needed	0.0900	As Needed	0.0087
Social security	As Needed	0.2107	As Needed	0.2800
Working cash	0.0500	0.0459	0.0500	0.0400
Tort immunity	As Needed	0.2053	As Needed	0.2200
Special education	0.8000	0.0617	0.8000	0.0500
Fire prevention and safety	0.1000	0.0500	0.1000	0.0570
Leasing/technology	0.1000	0.0590	0.1000	0.0585
		<u>6.8181</u>		<u>6.9791</u>

**(a) Tax Abatements**

On November 15, 2015, the District and Ralcorp Holdings, Inc (Company) entered into an agreement pursuant to the Illinois School Code (35 ILCS 200/18-165) permitting the District to abate any portion of its property taxes on various types of property within the District. The agreement is to enhance the tax base of the District by abating property taxes and promoting economic development.

By the agreement, the District will abate its share of property taxes, other than the levies for IMRF and Social Security, for a ten year period beginning with the 2015 tax levy. The aggregate abatement shall not exceed \$705,891. To fulfill the agreement, the Company completed an expansion project at its facility located at 1450 Pate Plaza Drive, South Beloit, Illinois to convert previously existing warehouse space into a manufacturing facility and create approximately 147 new full-time equivalent positions. The abatement agreement will be terminated if the Company ceases to operate on the property for a period of six months.

During the fiscal year ended June 30, 2018, the District abated \$89,263 of property tax revenues. Cumulative property tax revenues abated as of the fiscal year ended June 30, 2018 were \$198,994.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(3) Cash Deposits and Investments**

The District is allowed to invest in securities as authorized by the Illinois Public Funds Investment Act - 30 ILCS 235/2 and 6; and the Illinois School Code - 105 ILCS 5/8-7.

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Assets and Liabilities Arising from Cash Transactions

Cash	\$ 9,161,643
Investments	-
Total cash and investments	<u>\$ 9,161,643</u>

Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$ -
Deposits with financial institutions	
District	8,490,103
Health Insurance & Medical Plan	580,247
Agency	91,293
Investments	
District	-
Agency	-
Total cash and investments	<u>\$ 9,161,643</u>

Deposits – custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the District's deposits may not be returned to it. The District's policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by: (1) securities eligible for district investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The Chief Investment Officer shall determine other collateral requirements.

Safekeeping and custody arrangements

The preferred method of safekeeping is to have pledged securities registered in the District's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board (GASB) Statement No. 3 Deposits with Financial Institution, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, Category I, the highest recognized safekeeping procedures.

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Notes to Financial Statements

As of June 30, 2018 \$9,000,511 of the District's bank balance of \$9,260,329 were exposed to custodial credit risk as follows:

Uninsured and collateralized by FHLB Letters of credit	\$ 9,000,511
	<u>\$ 9,000,511</u>

**Investments**

As of June 30, 2018 the District had no investments.

**(4) Changes in General Fixed Assets & Depreciation**

Under the regulatory basis of accounting, assets and depreciation are not recorded and therefore the financial statements do not reflect the amounts below.

	<u>Assets at Cost</u>			Balance 6/30/18	Life in Years
	Balance 7/1/17	Additions	Deletions		
Land	\$ 138,937	\$ -	\$ -	\$ 138,937	0
Buildings and improvements	17,589,782	111,640	-	17,701,422	50
Construction in progress	-	-	-	-	0
Land improvements	478,647	2,140	-	480,787	20
Other equipment	1,989,860	165,409	261,025	1,894,244	10
Transportation equipment	-	-	-	-	5
Food service equipment	78,028	23,735	9,697	92,066	10
Total general fixed assets	<u>\$ 20,275,254</u>	<u>\$ 302,924</u>	<u>\$ 270,722</u>	<u>\$ 20,307,456</u>	

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

	<u>Accumulated Depreciation</u>				Undepreciated
	Balance <u>7/1/17</u>	Depreciation for Year	<u>Deletions</u>	Balance <u>6/30/18</u>	Cost <u>6/30/18</u>
Land	\$ -	\$ -	\$ -	\$ -	\$ 138,937
Buildings and improvements	4,776,895	353,335	-	5,130,230	12,571,192
Construction in progress	-	-	-	-	-
Land improvements	151,212	23,986	-	175,198	305,589
Other equipment	1,020,021	179,206	261,025	938,202	956,042
Transportation equipment	-	-	-	-	-
Food service equipment	31,064	6,834	9,697	28,201	63,865
Total general fixed assets	<u>\$ 5,979,192</u>	<u>\$ 563,361</u>	<u>\$ 270,722</u>	<u>\$ 6,271,831</u>	<u>\$ 14,035,625</u>

**(5) Employee Pensions and Other Benefit Plans**

The District participates in multiple retirement plans to provide retirement benefits to its employees. For the year ended June 30, 2018, the District recorded a total of \$409,404 in payments to the various retirement plans as detailed below.

It should be noted that actuarial accrued liabilities, deferred inflows of resources and deferred out flows of resources are not recorded in the financial statements since the District uses the regulatory basis of accounting as prescribed or permitted by the Illinois State Board of Education as described in Note 1.

**(a) Teachers' Retirement System of the State of Illinois**

**Plan description**

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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### Notes to Financial Statements

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2017> by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

#### **Benefits provided**

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

#### **Contributions**

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.0 percent

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Notes to Financial Statements

of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. For the year ended June 30, 2018, the District reported expenditures of \$90,736 for this contribution.

- ***On behalf contributions to TRS.***

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$444,130 in pension contributions from the state of Illinois.

- ***2.2 formula contributions.***

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$26,313, and are deferred because they were paid after the June 30, 2016 measurement date.

- ***Federal and special trust fund contributions.***

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$139,464 were paid from federal and special trust funds that required employer contributions of \$14,086. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

- ***Employer retirement cost contributions.***

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the

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Notes to Financial Statements

program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the employer paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2018, the employer had a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount of the employer's net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 1,395,325
State's proportionate share of the net pension liability associated with the employer	<u>33,241,911</u>
Total	<u><u>\$ 34,637,236</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the employer's proportion was .0018263857 percent, which was a decrease of .0002937698 from its proportion measured as of June 30, 2016.

At June 30, 2018, the employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$	\$
Differences between expected and actual experience	15,155	644
Net difference between projected and actual earnings on pension plan investments	957	-
Changes of assumptions	93,128	40,095
Changes in proportion and differences between employer contributions and proportionate share of contributions	218,338	323,208
Employer contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 327,578</b>	<b>\$ 363,947</b>

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,

2019	\$ (47,232)
2020	301
2021	53,275
2022	(36,045)
2023	(6,668)

**Actuarial assumptions**

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation)

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Notes to Financial Statements

are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private equity	14.0%	10.63%
Total	<u>100%</u>	

**Discount rate**

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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Notes to Financial Statements

**Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	Current	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 1,714,339	\$ 1,395,325	\$ 1,134,026	

**TRS fiduciary net position**

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**(b) Illinois Municipal Retirement Fund Pension Plan**

*Plan Description.* The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to

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Notes to Financial Statements

1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Employees Covered by Benefit Terms.* As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	90
Active members	54
Total	<u>187</u>

*Contributions.* As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 8.14%. For the fiscal year ended June 30, 2018, the District contributed \$107,055 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability.* The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

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- The actuarial cost method used was Entry Age Normal.
- The asset valuation method used was Market Value of Assets.
- The inflation rate was assumed to be 2.50%.
- Salary increases were expected to be 3.39% to 14.25%, including inflation.
- The investment rate of return was assumed to be 7.50%.
- Projected retirement age was from the Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	1%	2.25%
	<b>100%</b>	

*Single Discount Rate.* A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference

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between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

*Changes in Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2016	\$ 4,515,244	\$ 4,197,393	\$ 317,851
Changes for the year:			
Service cost	141,932	-	141,932
Interest on the total pension liability	336,719	-	336,719
Difference between expected and actual experience of the total pension liability	(89,453)	-	(89,453)
Changes of assumptions	(137,661)	-	(137,661)
Contributions - employer	-	102,596	(102,596)
Contributions - employee	-	56,721	(56,721)
Net investment income	-	712,666	(712,666)
Benefit payments, including refunds of employee contributions	(193,259)	(193,259)	-
Other (net transfer)	-	(35,407)	35,407
Net changes	58,278	643,317	(585,039)
Balances at December 31, 2017	<u>\$ 4,573,522</u>	<u>\$ 4,840,710</u>	<u>\$ (267,188)</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

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Notes to Financial Statements

	Single Discount Rate Assumption		
	1% Decrease	Current	1% Increase
Total pension liability	6.50%	7.50%	8.50%
Plan fiduciary net position	\$ 5,129,769	\$ 4,573,522	\$ 4,115,086
Net pension (asset) liability	<u>4,840,710</u>	<u>4,840,710</u>	<u>4,840,710</u>
	<u>\$ 289,059</u>	<u>\$ (267,188)</u>	<u>\$ (725,624)</u>

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* Pension expense as reflected in the financial statements for the fiscal year ended June 30, 2018 was \$107,055. At December 31, 2017, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Difference between expected and actual experience	\$ 20,838	\$ 56,402
Changes of assumptions	-	88,208
Net difference between projected and actual earnings on pension plan investments	134,455	320,370
Total deferred amounts to be recognized in pension expense in future periods	155,293	464,980
Pension contributions made subsequent to the measurement date	-	-
Total deferred amounts related to pensions	<u>\$ 155,293</u>	<u>\$ 464,980</u>

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2018	\$ (74,511)
2019	(79,832)
2020	(75,250)
2021	(80,094)
2022	-
	<u>\$ (309,687)</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(c) Aggregate Information**

Since the District participates in more than one retirement plan, GASB 68 requires disclosure of the following, which aggregates selected information from the Teachers' Retirement System and the Illinois Municipal Retirement Fund.

	TRS	IMRF	Total
Net Pension Liabilities	\$ 1,395,325	\$ -	1,395,325
Net Pension Assets	-	267,188	267,188
Deferred Outflows of Resources	327,578	155,293	482,871
Deferred Inflows of Resources	363,947	464,980	828,927
Pension expenditures for the year ended June 30, 2018	131,135	107,055	238,190

**(d) Social Security**

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$87,413, the total required contribution for the current fiscal year.

**(e) Medicare**

All employees, except certificated personnel hired prior to April 1, 1986, are covered under the Basic Hospital Insurance Plan provision of the medicare health insurance program. The District paid \$83,801, the total required contribution for the current fiscal year.

**(6) Fund Balance Reporting**

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

**(a) Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the District, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(b) Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2018, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2018, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational, Transportation, and Municipal Retirement/Social Security Funds. At June 30, 2018, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational, Transportation, and Municipal Retirement/Social Security Funds. At June 30, 2018, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

5. IMRF/Social Security

Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of \$184,716. For purposes of Regulatory reporting, the Social Security portion of the fund balance, \$94,034, will be classified as Reserved, and the Municipal Retirement portion of the fund balance, \$90,682, will be classified as Unreserved.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

6. Self-Insured Health Insurance

The District participates in a self-insured Medical/Health insurance plan for its employees. The details of this account are explained at Note 14. District deposits exceeded expenditures disbursed in this plan and are recorded in the Educational Fund, resulting in a restricted fund balance of \$580,247. This balance is included in the financial statements as Reserved in the Educational Fund.

**(c) Committed Fund Balance**

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2018, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2018 amounted to \$630,200. This amount is shown as Unreserved in the Educational Fund.

**(d) Assigned Fund Balance**

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

The District budgets property tax revenue based on the tax levy approved by the Board the previous December. For the fiscal year ending June 30, 2019, the District budgets property tax revenue based on the 2017 tax levy of which \$2,726,811 was received by the District prior to June 30, 2018 and is therefore included as revenue under the cash method of accounting in this fiscal year. Under the assigned fund balance definition, \$1,816,853 received in the Educational, Operations and Maintenance, and Working Cash funds has been designated as assigned fund balance in these funds as shown below and is shown as Unreserved in the financial statements.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(e) Unassigned Fund Balance**

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, and Working Cash Funds.

**(f) Regulatory – Fund Balance Definitions**

Reserved Fund Balances are those balances that are reserved for a specific purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

**(g) Reconciliation of Fund Balance Reporting**

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Non-spendable	Restricted	Committed	Assigned	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Educational	-	580,247	630,200	1,557,875	3,842,476	580,247	6,030,551
Operations & Maintenance	-	-	-	240,622	499,886	-	740,508
Debt Service	-	569,139	-	-	-	-	569,139
Transportation	-	132,076	-	-	-	-	132,076
Municipal							
Retirement	-	184,716	-	-	-	94,034	90,682
Working Cash	-	-	-	18,356	339,558	-	357,914
Tort Liability	-	276,102	-	-	-	-	276,102
Fire Prevention and Safety	-	199,097	-	-	-	-	199,097

**(h) Expenditures of Fund Balance**

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(7) Long-Term Debt**

As of June 30, 2018 the District had long-term debt outstanding in the amount of \$5,662,000. The long-term debt is reported in the General Long-Term Debt Group and consists of the following.

**Bonded Indebtedness**

Bonded indebtedness current requirements for principal and interest expenditures are payable from future revenues of the Debt Service Fund. The revenues consist principally of property taxes collected by the District and interest earnings. Bonded indebtedness consists of the following:

General Obligation Limited Tax Bonds, Series 2011B

Dated: June 1, 2011

Principal due: February 1

Interest due: August 1 and February 1

Fiscal year ending June 30,	Interest Rate	Principal	Interest	Total
2019		\$ -	\$ 23,250	\$ 23,250
2020		-	23,250	23,250
2021	4.600	250,000	23,250	273,250
2022	4.700	250,000	11,750	261,750
		<u>\$ 500,000</u>	<u>\$ 81,500</u>	<u>\$ 581,500</u>

General Obligation Limited Tax Bonds, Series 2013A

Dated: June 27, 2013

Principal due: February 1

Interest due: August 1 and February 1

Fiscal year ending June 30,	Interest Rate	Principal	Interest	Total
2019		\$ -	\$ 26,998	\$ 26,998
2020		-	26,998	26,998
2021	2.350	50,000	26,998	76,998
2022	2.530	50,000	25,824	75,824
2023	2.680	300,000	24,558	324,558
2024	2.790	300,000	16,518	316,518
2025	2.910	280,000	8,148	288,148
		<u>\$ 980,000</u>	<u>\$ 156,042</u>	<u>\$ 1,136,042</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

General Obligation Refunding Bonds, Series 2013B

Dated: June 27, 2013

Principal due: February 1

Interest due: August 1 and February 1

Fiscal year ending June 30,		Interest			
	Rate	Principal	Interest	Total	
2019	2.240	\$ 865,000	\$ 52,304	\$ 917,304	
2020	2.240	885,000	32,928	917,928	
2021	2.240	585,000	13,104	598,104	
		<u>\$ 2,335,000</u>	<u>\$ 98,336</u>	<u>\$ 2,433,336</u>	

The District made payments consisting of \$850,000 of principal and \$71,344 of interest during the fiscal year ended June 30, 2018.

General Obligation Limited Tax School Bonds, Series 2016A

Dated: March 9, 2016

Principal due: February 1

Interest due: August 1 and February 1

Fiscal year ending June 30,		Interest			
	Rate	Principal	Interest	Total	
2019		\$ -	\$ 45,057	\$ 45,057	
2020		-	45,057	45,057	
2021		-	45,057	45,057	
2022		-	45,057	45,057	
2023	2.810	85,000	45,057	130,057	
2024	2.880	175,000	42,670	217,670	
2025	2.960	190,000	37,630	227,630	
2026	3.010	225,000	32,006	257,006	
2027	3.050	520,000	25,232	545,232	
2028	3.090	305,000	9,424	314,424	
		<u>\$ 1,500,000</u>	<u>\$ 372,247</u>	<u>\$ 1,872,247</u>	

General Obligation Limited Tax School Bonds, Series 2016B

Dated: March 9, 2016

Principal due: February 1

Interest due: August 1 and February 1

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

Fiscal year ending June 30,	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019		\$ -	\$ 10,361	\$ 10,361
2020		-	10,361	10,361
2021		-	10,361	10,361
2022	2.960	272,000	10,362	282,362
2023	3.090	75,000	2,310	77,310
		<u>\$ 347,000</u>	<u>\$ 43,755</u>	<u>\$ 390,755</u>

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance <u>7/1/2017</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>6/30/2018</u>
General obligation bonds	<u>\$ 6,512,000</u>	<u>\$ -</u>	<u>\$ 850,000</u>	<u>\$ 5,662,000</u>

Future cash flow requirements of the District for retirement of principal and interest by fiscal year follow:

**Total Long-Term Debt**

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 865,000	\$ 157,970	\$ 1,022,970
2020	885,000	138,594	1,023,594
2021	885,000	118,770	1,003,770
2022	572,000	92,993	664,993
2023	460,000	71,925	531,925
2024	475,000	59,188	534,188
2025	470,000	45,778	515,778
2026	225,000	32,006	257,006
2027	520,000	25,232	545,232
2028	305,000	9,424	314,424
	<u>\$ 5,662,000</u>	<u>\$ 751,880</u>	<u>\$ 6,413,880</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(8) Legal Debt Margin**

2017 Equalized assessed valuation	<u>\$ 77,005,641</u>
Statutory debt limitation	
13.8% of 2017 equalized assessed valuation	\$ 10,626,778
Less indebtedness	
Bonds	<u>5,662,000</u>
Legal Debt Margin	<u>\$ 4,964,778</u>

**(9) Interfund Transfers**

<u>From</u>	<u>To</u>	Amount		<u>Purpose</u>
		<u>Transferred</u>	<u>Amount</u>	
Working Cash fund	Operations & Maintenance fund	\$ 1,357		Abatement of bond proceeds
Debt Service fund	Educational fund	\$ 2,743		Transfer of interest

**(10) Overexpenditure of Budget**

All District funds were operated within the legal confines of their budgets during the fiscal year ended June 30, 2018.

**(11) Joint Agreements**

The District is a member of Winnebago County Special Education Cooperative, along with other area school districts. The Winnebago County Special Education Cooperative is located at 11791 Wagon Wheel Road, Rockton, Illinois 61072. The District pays the Cooperative for special education programs administered under this joint agreement for District students and for programming costs. During the fiscal year ended June 30, 2018, the District paid Winnebago County Special Education Cooperative \$88,509 for these services. The District also receives IDEA grant funding that flows through Winnebago County Special Education Cooperative. During the year ended June 30, 2018, the District received \$288,409 in grant revenues.

The District is also a member of Career Education Associates of North Central Illinois (CEANCI), along with other area districts. CEANCI is located at 4151 Samuelson Road, Rockford, Illinois 61109. The District pays CEANCI for vocational education services administered to District students. However, during the year ended June 30, 2018, the District paid Career Education Associates of North Central Illinois \$0 and received \$2,143 as a reimbursement for teacher salaries.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

The District's pupils benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District does not have any equity interest in these joint agreements. The joint agreements are separately audited and are not included in these financial statements. Financial information about the joint agreements can be obtained by contacting them at the addresses given above.

**(12) Other Postemployment Benefits (OPEB)**

**(a) Teacher Health Insurance Security (THIS) Fund**

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

• ***On behalf contributions to the THIS Fund***

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions were \$53,534 and the employer recognized revenue and expenditures of this amount during the year.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

- ***Employer contributions to the THIS Fund***

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the employer paid \$39,924 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

**(b) Non-certified employees**

The District has evaluated its potential liability for other postemployment benefits. The District provides continued health insurance coverage at the active employer rate to all IMRF eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. For the year ended June 30, 2018, no former employees have chosen to stay in the District’s health insurance plan and therefore, there is no implicit subsidy in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

**(c) Explicit Subsidies**

Upon retirement, District employees are eligible to negotiate postemployment benefits on an individual basis. During the fiscal year ended June 30, 2018, the District had agreements with five former employees for whom the District is providing an explicit subsidy in the form of continued health insurance coverage. Total cost to the District recorded as an expenditure during the fiscal year ended June 30, 2018 is \$16,858.

**(13) Illinois Unemployment Compensation**

The District has elected to become self-insured for unemployment insurance. The District is therefore liable to the State for any payments made to any of its former employees claiming unemployment benefits. For the year ended June 30, 2018, the District paid \$0 to the Illinois Department of Employment Security for unemployment compensation.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(14) Self-Insured Health Insurance**

The District also participates in a self insured health insurance pool. The District is liable for any employee health claims that are approved for payment. The District funds a Medical / Health Insurance Account using two methods. The Board pays into the account at a rate of 100% for single coverage insurance and funds family coverage insurance at a rate of 83%. Employees are also expected to contribute to the insurance account in an amount necessary to supplement the difference in family coverage. The District records the cost of the Board paid contribution to the account as employee benefits across multiple categories corresponding to the employees who are generating the benefits. All medical claims are paid by an outside administrator who has access to the bank account necessary to pay all claims and withdraw an administrative fee for handling the claims. The net change in the bank account for the current fiscal year is currently reflected in revenue in the Educational Fund. The balance of the account available to pay net benefits at June 30, 2018, \$580,247, is reflected as part of the Reserved Fund Balance in the Educational Fund.

The District retains risk on all individual claims up to the first \$50,000 per person tier. Payments on the portion of claims greater than \$50,000, up to \$75,000, are paid by the insurance pool. Payments on the portion of claims beyond the \$75,000 tier are reimbursed to the insurance pool, and subsequently the District, by reinsurance purchased by the insurance pool.

At June 30, 2018, the District estimates that the amount of unpaid claims is less than the reserve account balance.

**(15) Risk Management**

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation for which the District participates in the Illinois Association of School Board Workers' Compensation Self Insurance Trust. Estimated payments are made annually to the Trust to cover claims, however, additional assessments could be required if the Trust reflects a deficit. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

**(16) Contingencies**

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(17) Operating Leases**

**Copier Lease**

The District entered into a three year lease with Martin Group for 15 copiers in May 2015. The original amount of the lease is \$140,556 and payment terms call for monthly payments of \$3,904 beginning in July 2015. In December 2017, the District extended this lease for an additional three years with the same payment terms. During the fiscal year ended June 30, 2018 the District made total payments of \$46,852 related to this lease. The District has the option to return the copiers to the lessor at the end of the lease or to purchase the copiers for fair market value.

The future lease payments are as follows:

	<u>Year ending June 30,</u>	<u>Total</u>
2019	\$ 46,852	
2020	46,852	
2021	46,852	
		<u>\$ 140,556</u>

**Printer Lease**

The District entered into a five year lease with Martin Group for 26 printers in July 2017. The original amount of the lease is \$23,065 and payment terms call for monthly payments of \$384 beginning in July 2017. During the fiscal year ended June 30, 2018 the District made total payments of \$4,613 related to this lease.

The future lease payments are as follows:

	<u>Year ending June 30,</u>	<u>Total</u>
2019	\$ 4,613	
2020	4,613	
2021	4,613	
2022	4,613	
		<u>\$ 18,452</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Financial Statements

**(18) Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The District has evaluated subsequent events through October 8, 2018, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Other Information (unaudited)

June 30, 2018

Teachers' Retirement System of the State of Illinois  
Schedule of the Employer's Proportionate Share  
of Net Pension Liability

	<u>FY17*</u>	<u>FY16*</u>	<u>FY15*</u>	<u>FY14*</u>
Employer's proportion of the net pension liability	\$ 1,395,325	\$ 1,673,567	\$ 1,035,287	\$ 1,257,140
Employer's proportionate share of the net pension liability associated with the employer	<u>\$ 33,241,911</u>	<u>\$ 35,447,815</u>	<u>\$ 26,296,340</u>	<u>\$ 24,762,639</u>
<b>Total</b>	<u><u>\$ 34,637,236</u></u>	<u><u>\$ 37,121,382</u></u>	<u><u>\$ 27,331,627</u></u>	<u><u>\$ 26,019,779</u></u>
Employer's covered-employee payroll as a percentage of its covered-employee payroll	30.8%	37.2%	23.2%	30.7%
Employer's proportionate share of the net pension liability as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%
* The amounts presented were determined as of the prior fiscal-year end.				
Teachers' Retirement System of the State of Illinois Schedule of Employer Contributions				
Contractually-required contribution	\$ 448,711	\$ 479,899	\$ 497,944	\$ 448,348
Contributions in relation to the contractually-required contribution	<u><u>\$ 448,711</u></u>	<u><u>\$ 479,575</u></u>	<u><u>\$ 496,962</u></u>	<u><u>\$ 447,871</u></u>
Contribution deficiency (excess)	-	<u><u>\$ 324</u></u>	<u><u>\$ 982</u></u>	<u><u>\$ 477</u></u>
Employer's covered-employee payroll	<u><u>\$ 4,536,795</u></u>	<u><u>\$ 4,495,748</u></u>	<u><u>\$ 4,454,224</u></u>	<u><u>\$ 4,091,776</u></u>
Contributions as a percentage of covered-employee payroll	9.89%	10.67%	11.16%	10.95%

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Other Information (unaudited)

June 30, 2018

**Illinois Municipal Retirement Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

<b>Calendar year ending December 31, Total pension liability</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Service cost	\$ 141,932	\$ 133,106	\$ 130,582	\$ 140,580
Interest on the total pension liability	336,719	310,344	288,469	259,909
Differences between expected and actual experience of the total pension liability	(89,453)	81,474	24,786	(55,466)
Changes of assumptions	(137,661)	(5,510)	5,048	167,807
Benefit payments, including refunds of employee contributions	(193,259)	(162,118)	(143,811)	(110,248)
<b>Net change in total pension liability</b>	<b>58,278</b>	<b>357,296</b>	<b>305,074</b>	<b>402,582</b>
<b>Total pension liability – beginning</b>	<b>4,515,244</b>	<b>4,157,948</b>	<b>3,852,874</b>	<b>3,450,292</b>
<b>Total pension liability – ending (a)</b>	<b>4,573,522</b>	<b>4,515,244</b>	<b>4,157,948</b>	<b>3,852,874</b>
 <b>Plan fiduciary net position</b>				
Contributions – employer	102,596	113,254	108,046	95,773
Contributions – employee	56,721	59,400	54,753	51,643
Net investment income	712,666	268,883	19,826	224,817
Benefit payments, including refunds of employee contributions	(193,259)	(162,118)	(143,811)	(110,248)
Other (net transfer)	(35,407)	30,891	(107,395)	26,744
<b>Net change in plan fiduciary net position</b>	<b>643,317</b>	<b>310,310</b>	<b>(68,581)</b>	<b>288,729</b>
 <b>Plan fiduciary net position – beginning</b>				
<b>Plan fiduciary net position – ending (b)</b>	<b>4,197,393</b>	<b>3,887,083</b>	<b>3,955,664</b>	<b>3,666,935</b>
 <b>Net pension (asset) liability – ending (a)-(b)</b>	<b>4,840,710</b>	<b>4,197,393</b>	<b>3,887,083</b>	<b>3,955,664</b>
 Plan fiduciary net position as a percentage of the total pension liability	<b>\$ (267,188)</b>	<b>\$ 317,851</b>	<b>\$ 270,865</b>	<b>\$ (102,790)</b>
 Covered valuation payroll	105.84%	92.96%	93.49%	102.67%
Net pension (asset) liability as a percentage of covered valuation payroll	\$ 1,261,231	\$ 1,319,977	\$ 1,216,735	\$ 1,126,137
	-21.18%	24.08%	22.26%	-9.13%

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Other Information (unaudited)

June 30, 2018

Illinois Municipal Retirement Fund  
Schedule of Contributions

Calendar Year Ending December 31,	Actuarially Determined Contribution (a)	Actual Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Valuation Payroll (c)	Actual Contribution as a % of Covered Payroll (b/c)
2014	95,384	95,773	(389)	1,126,137	8.50%
2015	108,046	108,046	-	1,216,735	8.88%
2016	113,254	113,254	-	1,319,977	8.58%
2017	102,664	102,596	68	1,261,231	8.13%

See notes to other information.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Other Information

June 30, 2018

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**(1) Teachers Retirement System of the State of Illinois – Changes of Assumption**

For the 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. However, salary increases were assumed to vary by age.

**(2) Illinois Municipal Retirement Fund Pension Plan – Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate\***

**(a) Valuation Date**

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

**(b) Methods and Assumptions Used to Determine 2017 Contribution Rates**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	Taxing bodies (Regular, SLEP, and ECO groups): 26-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early retirement incentive plan liabilities: a period up to 10 years selected by the District upon adoption of early retirement incentive.
Asset valuation method	5-year smoothed market; 20% corridor

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Notes to Other Information

Wage growth	3.50%
Price inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**(c) *Other Information***

There were no benefit changes during the year.

\* Based on valuation assumptions used in the December 31, 2015, actuarial valuation; note two year lag between valuation and rate setting.

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Combining Schedule of Assets and Liabilities  
 Arising from Cash Transactions  
 All Trust and Agency Funds  
 For the year ended June 30, 2018

	Student Activity Fund	Memorial & Scholarship Funds	Total
<b>ASSETS</b>			
Cash	<u>\$ 82,476</u>	<u>\$ 8,817</u>	<u>\$ 91,293</u>
Total Assets	<u>\$ 82,476</u>	<u>\$ 8,817</u>	<u>\$ 91,293</u>
<b>LIABILITIES</b>			
Due to other Organizations	<u>\$ 82,476</u>	<u>\$ 8,817</u>	<u>\$ 91,293</u>
Total Liabilities	<u>\$ 82,476</u>	<u>\$ 8,817</u>	<u>\$ 91,293</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Agency Funds

Activity Funds and Trust Funds  
 Statement of Assets and Liabilities  
 Arising from Cash Transactions  
 For the year ended June 30, 2018

	Balance 07/01/17	Revenues Received	Expenditures Disbursed	Balance 06/30/18
<b>ASSETS</b>				
Cash	\$ <u>79,600</u>	\$ <u>161,726</u>	\$ <u>158,850</u>	\$ <u>82,476</u>
<b>LIABILITIES</b>				
Amounts due to activity fund organizations	\$ <u>79,600</u>	\$ <u>161,726</u>	\$ <u>158,850</u>	\$ <u>82,476</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Schedule of Changes in Assets and Liabilities  
Memorial and Scholarship Funds

For the year ended June 30, 2018

	Balance 07/01/17	Revenues Received	Expenditures Disbursed	Balance 06/30/18
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,804	\$ 13	\$ 2,000	\$ 8,817
Total Assets	<u>\$ 10,804</u>	<u>\$ 13</u>	<u>\$ 2,000</u>	<u>\$ 8,817</u>
<b>LIABILITIES</b>				
Hanaman Scholarship Fund	\$ 6,668	\$ 8	\$ 1,000	\$ 5,676
Gregory Martin Education Scholarship	<u>4,136</u>	<u>5</u>	<u>1,000</u>	<u>3,141</u>
Total Liabilities	<u>\$ 10,804</u>	<u>\$ 13</u>	<u>\$ 2,000</u>	<u>\$ 8,817</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Activity Fund

Statement of Revenues Received and Expenditures Disbursed  
For the year ended June 30, 2018

Fund	Balance 07/01/17	Revenues Received	Expenditures Disbursed	Balance 06/30/18
Athletic Banquet	\$ 18	\$ -	\$ -	\$ 18
Athletic Clothing	1	-	-	1
Band Boosters	5,484	40,976	40,513	5,947
Baseball	3,849	1,120	404	4,565
College & career Readiness	252	570	300	522
H.S. Yearbook	51	4,910	3,802	1,159
Clark Principal's Fund / Film	99	640	656	83
Class of 2011	391	-	-	391
Class of 2014	324	-	-	324
Class of 2016	77	-	-	77
Class of 2017	463	-	358	105
Class of 2018	8,432	5,099	12,854	677
Class of 2019	1,717	6,957	4,575	4,099
Class of 2020	1,410	915	224	2,101
Class of 2021	956	3,245	1,611	2,590
Class of 2022	2,693	1,320	4,013	-
Class of 2023	940	-	-	940
Class of 2024	456	-	50	406
SOBO Walkway	565	-	265	300
Employee Wellness	1,076	100	-	1,176
F.B.L.A.	454	4,103	3,273	1,284
Food Service Catering	380	998	407	971
Football	81	9,876	9,496	461
Mowbray & Amendt	10,985	4,499	2,395	13,089
H.S. Co-Ed Bowling	75	-	70	5
H.S. Community Scholarships	6,417	3,745	1,300	8,862
Riverview Principle	739	588	569	758
H.S. Building Rental	1,819	75	1,249	645
H.S. Girls' Basketball	140	1,108	594	654
H.S. Girls' Softball	3,100	3,628	2,913	3,815
H.S. Girls' Volleyball	1,573	1,636	2,666	543
H.S. Play	568	975	401	1,142
H.S. Principal's Fund	1,211	3,846	3,551	1,506
H.S. Renaissance	129	-	-	129
H.S. Track	21	1,583	1,532	72
H.S. Walking & Bike Path	1,059	-	-	1,059
Jr. Hi / Blackhawk PE	353	1,279	1,553	79
Jr. High Art	13	-	-	13
Jr. High Athletics	205	-	-	205
Jr. High Boys Basketball	6	-	-	6
Carried Forward	\$ 58,582	\$ 103,791	\$ 101,594	\$ 60,779

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Activity Fund

Statement of Revenues Received and Expenditures Disbursed  
For the year ended June 30, 2018

Fund	Balance 07/01/17	Revenues Received	Expenditures Disbursed	Balance 06/30/18
Carried Forward	\$ 58,582	\$ 103,791	\$ 101,594	\$ 60,779
Jr. High Box Tops	1,414		321	1,093
Jr. High Building Rental	300	-	-	300
Jr. High Cheerleaders	1,273	1,283	840	1,716
Jr. High Football	231	238	-	469
Jr. High Girls Basketball	17	330	317	30
Jr. High Girls Volleyball	180	240	196	224
Jr. High Library	245	-	27	218
Jr. High Principals	368	1,381	851	898
Jr. High PTO	867	19,481	20,348	-
Jr. High Quiz Bowl	120	-	-	120
Jr. High Student Council	386	-	42	344
Jr. High Student Renaissance	52	1,479	489	1,042
Jr. High Teachers Pop	84	71	-	155
Jr. High Yearbook	643	1,700	1,790	553
Jr. High Cooking Club	3	170	169	4
Leo Club	83	-	-	83
Library	140	200	57	283
Life Skills	2	-	-	2
National Honor Society	485	290	149	626
HS Boys Basketball	617	2,758	1,952	1,423
Riverview Library	157	-	-	157
Riverview Sunshine	149	-	-	149
SBHS Concessions	1,869	12,951	13,434	1,386
Scholastic Bowl	833	-	100	733
SoBo Foundation	59	-	-	59
SoBo Health Club	319	-	-	319
State Tournament	1,095	5,021	4,644	1,472
Spirit Squad	1,547	3,077	4,248	376
Student Council	453	3,197	2,941	709
Soccer	717	1,050	1,344	423
HS Girls Soccer	-	903	619	284
HS Dance	179	1,326	700	805
Teacher Pop Account	157	231	289	99
Tech Account - Computers	154	-	-	154
Riverview Box Tops-Quies	1,878	558	1,389	1,047
JH/Blackhawk Playground-Grover	3,942	-	-	3,942
	<u>\$ 79,600</u>	<u>\$ 161,726</u>	<u>\$ 158,850</u>	<u>\$ 82,476</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Schedule of Restricted Local Tax Levies  
 Analysis of Changes in Cash Basis Fund Balance  
 For the year ended June 30, 2018

	<u>Special Education</u>	<u>Facilities Leasing</u>	<u>Driver Education</u>
	<u>Educational</u>	<u>Educational</u>	<u>Educational</u>
<b>Operating Revenues Received</b>			
Ad valorem taxes	\$ 41,578	\$ 43,373	\$ -
Driver education fees	-	-	343
Mobile home taxes	<u>83</u>	<u>97</u>	<u>-</u>
<b>Total Operating Revenues Received</b>	<b><u>41,661</u></b>	<b><u>43,470</u></b>	<b><u>343</u></b>
 <b>Operating Expenditures Disbursed</b>			
Special education	41,661	-	-
Driver education instruction	-	-	343
Tech equipment	<u>-</u>	<u>54,568</u>	<u>-</u>
<b>Total Operating Expenditures Disbursed</b>	<b><u>41,661</u></b>	<b><u>54,568</u></b>	<b><u>343</u></b>
 <b>EXCESS OF OPERATING REVENUES RECEIVED OVER (UNDER) OPERATING EXPENDITURES DISBURSED</b>			
	<u>-</u>	<u>(11,098)</u>	<u>-</u>
 <b>Fund Balance, Cash Basis July 1, 2017</b>			
	<u>-</u>	<u>11,098</u>	<u>-</u>
 <b>Transfer Adjustment</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund Balance, Cash Basis June 30, 2018</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Schedule of Assessed Valuations,  
Property Tax Rates, Extensions and Collections  
June 30, 2018

	Rate	Extension	Received Through 6/30/2017	Received Current Year	Uncollected (Over- collected) Balance
2017 LEVY - Assessed Valuation	\$ 76,292,612				
Educational	3.89560	2,972,055	-	1,557,875	1,414,180
Oper. & maint.	0.60170	459,053	-	240,622	218,431
Debt service	1.34100	1,023,084	-	536,492	486,592
Transportation	0.25720	196,225	-	102,855	93,370
Municipal retirement	0.09000	68,663	-	35,991	32,672
Social security	0.21070	160,749	-	84,260	76,489
Working cash	0.04590	35,018	-	18,356	16,662
Tort immunity	0.20530	156,629	-	82,100	74,529
Special education	0.06170	47,072	-	24,673	22,399
Fire prev. & safety	0.05000	38,146	-	19,994	18,152
Facilities leasing	0.05900	45,013	-	23,593	21,420
	<u>6.81810</u>	<u>5,201,707</u>	<u>-</u>	<u>2,726,811</u>	<u>2,474,896</u>
2016 LEVY - Assessed Valuation	\$ 73,990,868				
Educational	4.00000	2,959,635	1,551,823	1,352,467	55,345
Oper. & maint.	0.62500	462,443	242,468	211,322	8,653
Debt service	1.38830	1,027,215	538,583	469,184	19,448
Transportation	0.25160	186,161	97,605	85,069	3,487
Municipal retirement	0.00870	6,437	3,377	2,943	117
Social security	0.28000	207,174	108,621	94,673	3,880
Working cash	0.04000	29,596	15,513	13,524	559
Tort immunity	0.22000	162,780	85,324	74,386	3,070
Special education	0.05000	36,996	19,397	16,905	694
Fire prev. & safety	0.05700	42,175	22,110	19,272	793
Facilities leasing	0.05850	43,285	22,704	19,780	801
	<u>6.97910</u>	<u>5,163,897</u>	<u>2,707,525</u>	<u>2,359,525</u>	<u>96,847</u>
2015 LEVY - Assessed Valuation	\$ 71,949,521				
Educational	4.00000	2,877,981	2,823,062	-	54,919
Oper. & maint.	0.63640	457,887	449,150	-	8,737
Debt service	1.42470	1,025,065	1,005,509	-	19,556
Transportation	0.25870	186,133	182,582	-	3,551
Municipal retirement	0.00700	5,036	4,938	-	98
Social security	0.29580	212,827	208,768	-	4,059
Working cash	0.05000	35,975	35,291	-	684
Tort immunity	0.27800	200,020	196,205	-	3,815
Special education	0.05010	36,047	35,361	-	686
Fire prev. & safety	0.06260	45,040	44,182	-	858
Facilities leasing	0.06260	45,040	44,182	-	858
	<u>7.12590</u>	<u>5,127,051</u>	<u>5,029,230</u>	<u>-</u>	<u>97,821</u>

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Ten Year Statistics - Assessed Valuations, Tax Rates and Extensions

<u>Year Ended June 30,</u>	<u>Levy Year</u>	<u>Assessed Valuation</u>	<u>Total Tax Rate</u>	<u>Taxes Extended</u>
2010	2008	\$ 87,231,292	5.6080	4,891,931
2011	2009	88,117,350	5.6144	4,947,261
2012	2010	85,697,605	5.8669	5,027,793
2013	2011	83,832,587	6.1364	5,144,303
2014	2012	77,633,748	6.8366	5,307,509
2015	2013	73,351,524	7.0776	5,191,528
2016	2014	70,770,596	7.1960	5,092,652
2017	2015	71,949,521	7.1259	5,127,051
2018	2016	73,990,868	6.9791	5,163,897
2019	2017	76,292,612	6.8181	5,201,707

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Schedule of Average Daily Attendance, Operating Expense per Pupil,  
And Total Operating Expense  
(Unaudited)

<u>Year ended June 30,</u>	Average Daily Attendance	Operating Expense Per Pupil	Total Operating Expense
2009	957	\$ 9,227	\$ 8,831,764
2010	999	9,317	9,304,119
2011	948	10,093	9,572,372
2012	922	9,934	9,160,694
2013	946	10,210	9,653,887
2014	935	11,158	10,429,302
2015	937	9,989	9,359,454
2016	962	10,050	9,670,297
2017	953	10,041	9,573,084
2018	876	11,115	9,733,004

COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

Fund Balances Adjusted for Tax Receipts

	Total	Educational Fund	Operations & Maintenance Fund	Debt Services Fund	Transportation Fund	Municipal Retirement / Social Security Fund	Working Cash Fund	Tort Fund	Fire Prev. & Safety Fund
Fund balance, 6-30-12	\$ 7,229,465	\$ 4,647,258	\$ 870,540	\$ 600,071	\$ 70,121	\$ 234,429	\$ 164,238	\$ 106,731	\$ 536,077
Less "early tax distribution"	(2,628,843)	(1,563,281)	(217,800)	(510,269)	(87,180)	(99,302)	(20,305)	(108,900)	(21,806)
Adjusted fund balance	<u><u>\$ 4,600,622</u></u>	<u><u>\$ 3,083,977</u></u>	<u><u>\$ 652,740</u></u>	<u><u>\$ 89,802</u></u>	<u><u>\$ (17,059)</u></u>	<u><u>\$ 135,127</u></u>	<u><u>\$ 143,933</u></u>	<u><u>\$ (2,169)</u></u>	<u><u>\$ 514,271</u></u>
Fund balance, 6-30-13	\$ 8,014,096	\$ 4,982,816	\$ 752,704	\$ 613,818	\$ 102,427	\$ 204,244	\$ 998,964	\$ 136,004	\$ 223,119
Less "early tax distribution"	(2,724,687)	(1,622,229)	(226,016)	(524,325)	(91,866)	(102,626)	(19,808)	(114,821)	(22,996)
Adjusted fund balance	<u><u>\$ 5,289,409</u></u>	<u><u>\$ 3,360,587</u></u>	<u><u>\$ 526,688</u></u>	<u><u>\$ 89,493</u></u>	<u><u>\$ 10,561</u></u>	<u><u>\$ 101,618</u></u>	<u><u>\$ 979,156</u></u>	<u><u>\$ 21,183</u></u>	<u><u>\$ 200,123</u></u>
Fund balance, 6-30-14	\$ 7,452,673	\$ 5,256,039	\$ 632,776	\$ 614,854	\$ 166,497	\$ 219,439	\$ 166,603	\$ 202,592	\$ 193,873
Less "early tax distribution"	(2,669,740)	(1,552,064)	(235,492)	(525,303)	(95,737)	(103,394)	(18,862)	(115,728)	(23,160)
Adjusted fund balance	<u><u>\$ 4,782,933</u></u>	<u><u>\$ 3,703,975</u></u>	<u><u>\$ 397,284</u></u>	<u><u>\$ 89,551</u></u>	<u><u>\$ 70,760</u></u>	<u><u>\$ 116,045</u></u>	<u><u>\$ 147,741</u></u>	<u><u>\$ 86,864</u></u>	<u><u>\$ 170,713</u></u>
Fund balance, 6-30-15	\$ 7,458,091	\$ 5,170,077	\$ 643,904	\$ 622,638	\$ 122,354	\$ 229,316	\$ 203,062	\$ 243,540	\$ 223,200
Less "early tax distribution"	(2,668,853)	(1,527,583)	(239,959)	(538,295)	(97,541)	(105,406)	(18,543)	(117,939)	(23,587)
Adjusted fund balance	<u><u>\$ 4,789,238</u></u>	<u><u>\$ 3,642,494</u></u>	<u><u>\$ 403,945</u></u>	<u><u>\$ 84,343</u></u>	<u><u>\$ 24,813</u></u>	<u><u>\$ 123,910</u></u>	<u><u>\$ 184,519</u></u>	<u><u>\$ 125,601</u></u>	<u><u>\$ 199,613</u></u>
Fund balance, 6-30-16	\$ 8,782,730	\$ 5,265,767	\$ 679,312	\$ 610,618	\$ 45,193	\$ 205,788	\$ 1,533,782	\$ 271,039	\$ 171,231
Less "early tax distribution"	(2,691,821)	(1,553,576)	(240,401)	(538,184)	(97,724)	(114,383)	(18,889)	(105,016)	(23,648)
Adjusted fund balance	<u><u>\$ 6,090,909</u></u>	<u><u>\$ 3,712,191</u></u>	<u><u>\$ 438,911</u></u>	<u><u>\$ 72,434</u></u>	<u><u>\$ (52,531)</u></u>	<u><u>\$ 91,405</u></u>	<u><u>\$ 1,514,893</u></u>	<u><u>\$ 166,023</u></u>	<u><u>\$ 147,583</u></u>
Fund balance, 6-30-17	\$ 7,957,936	\$ 5,696,605	\$ 700,538	\$ 589,911	\$ 9,587	\$ 180,504	\$ 324,364	\$ 251,747	\$ 204,680
Less "early tax distribution"	(2,707,525)	(1,593,924)	(242,468)	(538,583)	(97,605)	(111,998)	(15,513)	(85,324)	(22,110)
Adjusted fund balance	<u><u>\$ 5,250,411</u></u>	<u><u>\$ 4,102,681</u></u>	<u><u>\$ 458,070</u></u>	<u><u>\$ 51,328</u></u>	<u><u>\$ (88,018)</u></u>	<u><u>\$ 68,506</u></u>	<u><u>\$ 308,851</u></u>	<u><u>\$ 166,423</u></u>	<u><u>\$ 182,570</u></u>
Fund balance, 6-30-18	\$ 9,070,350	\$ 6,610,798	\$ 740,508	\$ 569,139	\$ 132,076	\$ 184,716	\$ 357,914	\$ 276,102	\$ 199,097
Less "early tax distribution"	(2,726,811)	(1,606,141)	(240,622)	(536,492)	(102,855)	(120,251)	(18,356)	(82,100)	(19,994)
Adjusted fund balance	<u><u>\$ 6,343,539</u></u>	<u><u>\$ 5,004,657</u></u>	<u><u>\$ 499,886</u></u>	<u><u>\$ 32,647</u></u>	<u><u>\$ 29,221</u></u>	<u><u>\$ 64,465</u></u>	<u><u>\$ 339,558</u></u>	<u><u>\$ 194,002</u></u>	<u><u>\$ 179,103</u></u>

The fund balances in the basic financial statements reflect all property tax distributions received by the district during each year ended June 30th, in accordance with the cash basis method of accounting used by the district. These balances have been adjusted above to exclude property tax distributions of the current year's levy received prior to June 30th of that year. These adjusted balances should not be construed to reflect the financial position of any fund.



## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education  
County of Winnebago School District No. 320  
Winnebago County, Illinois

### **Report on Compliance for Each Major Federal Program**

We have audited the County of Winnebago School District No. 320's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Winnebago School District No. 320's major federal programs for the year ended June 30, 2018. County of Winnebago School District No. 320's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of County of Winnebago School District No. 320's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Winnebago School District No. 320's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Winnebago School District No. 320's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, County of Winnebago School District No. 320 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of County of Winnebago School District No. 320 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Winnebago School District No. 320's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Winnebago School District No. 320's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain other matters involving the internal control over compliance that we reported to management of County of Winnebago School District No. 320 in a separate letter dated October 8, 2018.

The purpose of this report on internal control is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Kerning Group, LLC*

Freeport, Illinois  
October 8, 2018

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2018**

DISTRICT/JOINT AGREEMENT NAME <b>COUNTY OF WINNEBAGO SCHOOL DISTR</b>	RCDT NUMBER <b>04-101-3200-26</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066-004238</b>
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>SCOTT FISHER</b>		NAME AND ADDRESS OF AUDIT FIRM <b>BENNING GROUP, LLC</b> <b>50 W. DOUGLAS STREET, SUITE 801</b> <b>FREREPORT</b>
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>850 HAYES AVE</b> <b>SOUTH BELOIT</b>  61080		E-MAIL ADDRESS: <b>jblocker@benninggroup.com</b>
		NAME OF AUDIT SUPERVISOR <b>JENNY L. BLOCKER</b>
CPA FIRM TELEPHONE NUMBER <b>815/235-3157</b>		FAX NUMBER <b>815/235-3158</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes (Title 2 CFR §200.510 (a))
- Schedule of Expenditures of Federal Awards including footnotes (Title 2 CFR §200.510 (b))
- Independent Auditor's Report on the Financial Statements (Title 2 CFR §200.515 (a))
- Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Title 2 CFR §200.515 (b))
- Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance (Title 2 CFR §200.515 (c))
- Schedule of Findings and Questioned Costs (Title 2 CFR §200.515 (d))
- Summary Schedule of Prior Audit Findings (Title 2 CFR §200.511 (b))
- Corrective Action Plan on LEA letterhead (Title 2 CFR §200.511 (c))

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- A Copy of the Federal Data Collection Form (Title 2 CFR §200.512 (b))
- A Copy of each Management Letter

**Note: IF THE PAPER COPY OF THE AFR IS NOT THE SAME AS THE ELECTRONIC VERSION, PLEASE NOTIFY - Leslie Clay at [lclay@isbe.net](mailto:lclay@isbe.net)**

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

04-101-3200-26

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues			Expenditure/Disbursements <sup>4</sup>			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
U.S. DEPARTMENT OF AGRICULTURE:										0	
Through Illinois State Board of Education:										0	
DoD Fresh Fruits and Vegetables Program (non-cash)	10.555	2018	0	9,083	0	0	9,083	0	0	9,083	N/A
Commodities Program (non-cash)	10.550	2017	39,513	0	39,513	0	0	0	0	39,513	N/A
Commodities Program (non-cash)	10.550	2018	0	38,140	0	0	38,140	0	0	38,140	N/A
National School Lunch Program (M)	10.555	16-4210-00	57,768	0	57,768	0	0	0	0	57,768	N/A
National School Lunch Program	10.555	17-4210-00	242,441	51,402	242,441	0	51,402	0	0	293,843	N/A
National School Lunch Program	10.555	18-4210-00	0	241,196	0	0	241,195	0	0	241,195	N/A
Subtotal 10.555			<u>339,722</u>	<u>339,821</u>	<u>339,722</u>	<u>0</u>	<u>339,820</u>	<u>0</u>	<u>0</u>	<u>679,542</u>	
School Breakfast Program (M)	10.553	16-4220-00	15,468	0	15,468	0	0	0	0	15,468	N/A
School Breakfast Program	10.553	17-4220-00	70,611	15,001	70,611	0	15,001	0	0	85,612	N/A
School Breakfast Program	10.553	18-4220-00	0	79,954	0	0	79,954	0	0	79,954	N/A
Subtotal 10.553			<u>86,079</u>	<u>94,955</u>	<u>86,079</u>	<u>0</u>	<u>94,955</u>	<u>0</u>	<u>0</u>	<u>181,034</u>	
TOTAL THROUGH USDA PROGRAMS			<u>425,801</u>	<u>434,776</u>	<u>425,801</u>	<u>0</u>	<u>434,775</u>	<u>0</u>	<u>0</u>	<u>860,576</u>	
										0	
U.S. DEPARTMENT OF EDUCATION:										0	
Through Illinois State Board of Education:										0	

• (M) Program was audited as a major program as defined by §200.518.

\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

04-101-3200-26

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues			Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients				
Title I - Low Income (M)	84.010A	16-4300-00	3,124	0	1,852	0	0	0	0	0	1,852	509,531
Title I - Low Income (M)	84.010A	17-4300-00	518,072	17,889	535,959	0	0	0	0	0	535,959	548,035
Title I - Low Income (M)	84.010A	18-4300-00	0	406,815	0	0	420,515	0	2,913	423,428	434,579	
Subtotal 84.010A			521,196	424,704	537,811	0	420,515	0	2,913	961,239		
Title II - Teacher Quality (M)	84.367A	17-4932-00	33,603	0	32,206	0	0	0	0	0	32,206	33,449
Title II - Teacher Quality	84.367A	18-4932-00	0	41,694	0	0	45,558	0	137	45,695	45,695	
Subtotal 84.367A			33,603	41,694	32,206	0	45,558	0	137	77,901		
Title IV - Student Support & Academic Enrich	84.424A	18-4400-00	0	14,701	0	0	14,949	0	0	14,949	16,737	
Subtotal 84.424A			0	14,701	0	0	14,949	0	0	14,949		
CO Through Winnebago County Special Education Cooperative (04-101-1400-61):										0		
Fed. Sp. Ed. IDEA Flow-Through	84.027A	16-4620-00	-25,204	0	0	0	0	0	0	0	0	248,969
Fed. Sp. Ed. IDEA Flow-Through	84.027A	17-4620-00	323,451	0	323,452	0	0	0	0	0	323,452	348,819
Fed. Sp. Ed. IDEA Flow-Through (M)	84.027A	18-4620-00	0	274,378	0	0	278,509	0	0	278,509	298,556	
Subtotal 84.027A			298,247	274,378	323,452	0	278,509	0	0	601,961		
Fed. Sp. Ed. Pre-School Flow-Through	84.173A	16-4600-00	-2,285	0	0	0	0	0	0	0	0	16,023
Fed. Sp. Ed. Pre-School Flow-Through	84.173A	17-4600-00	18,179	0	18,255	0	0	0	0	0	18,255	18,179

• (M) Program was audited as a major program as defined by §200.518.

\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

## COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320

04-101-3200-26

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues			Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients				
Fed. Sp. Ed. Pre-School Flow-Through (M)	84.173A	18-4600-00	0	14,031	0	0	14,031	0	0	0	14,031	20,502
Subtotal 84.173A			15,894	14,031	18,255	0	14,031	0	0	0	32,286	
TOTAL THROUGH USDE PROGRAMS			868,940	769,508	911,724	0	773,562	0	3,050	3,050	1,688,336	
											0	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES											0	
Through Illinois Dept. of Health and Family Services											0	
Medicaid Administrative Outreach	93.778	16-4991-00	4,548	0	4,548	0	0	0	0	0	4,548	N/A
Medicaid Administrative Outreach	93.778	17-4991-00	17,089	2,591	17,089	0	104	0	0	0	17,193	N/A
Medicaid Administrative Outreach	93.778	18-4991-00	0	14,191	0	0	16,297	0	0	0	16,297	N/A
Subtotal 93.778			21,637	16,782	21,637	0	16,401	0	0	0	38,038	
TOTAL THROUGH USDHHS PROGRAMS			21,637	16,782	21,637	0	16,401	0	0	0	38,038	
											0	
											0	
											0	
											0	
<b>TOTAL FEDERAL AWARDS</b>			1,316,378	1,221,066	1,359,162	0	1,224,738	0	3,050	3,050	2,586,950	

• (M) Program was audited as a major program as defined by §200.518.

**\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.



**COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320****04-101-3200-26****SCHEDULE OF FINDINGS AND QUESTIONED COSTS****Year Ending June 30, 2018****SECTION I - SUMMARY OF AUDITOR'S RESULTS****FINANCIAL STATEMENTS**

Type of auditor's report issued:

Adverse - GAAP / Unmodified - Cash Basis

(Unmodified, Qualified, Adverse, Disclaimer)

## INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? \_\_\_\_\_ YES  None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ YES  None Reported
- Noncompliance material to the financial statements noted? \_\_\_\_\_ YES  NO

**FEDERAL AWARDS**

## INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? \_\_\_\_\_ YES  None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ YES  None Reported

Type of auditor's report issued on compliance for major programs:

UNMODIFIED(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)?

\_\_\_\_\_ YES  NO**IDENTIFICATION OF MAJOR PROGRAMS:**<sup>8</sup>

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>	AMOUNT OF FEDERAL PROGRAM
84.010A	TITLE I - LOW INCOME	420,515
84.173 / 84.027A	SPECIAL EDUCATION CLUSTER	292,540
	<b>Total Amount Tested as Major</b>	<b>\$713,055</b>

**Total Federal Expenditures for 7/1/17-6/30/18****\$1,224,738**

% tested as Major

**58.22%**

Dollar threshold used to distinguish between Type A and Type B programs:

**\$750,000.00**

Auditee qualified as low-risk auditee?

\_\_\_\_\_ YES  NO<sup>7</sup> If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program.

Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320**  
**04-101-3200-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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1. FINDING NUMBER:<sup>11</sup> **2018-** \_\_\_\_\_ 2. THIS FINDING IS:  New  Repeat from Prior Year?  
 Year originally reported? \_\_\_\_\_

---

**3. Criteria or specific requirement**

NONE

---

**4. Condition**

---

**5. Context<sup>12</sup>**

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**6. Effect**

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**7. Cause**

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**8. Recommendation**

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**9. Management's response<sup>13</sup>**

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<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See §200.521 *Management decision* for additional guidance on reporting management's response.

**COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320****04-101-3200-26****SCHEDULE OF FINDINGS AND QUESTIONED COSTS****Year Ending June 30, 2018****SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS****1. FINDING NUMBER:<sup>14</sup>****2018-** \_\_\_\_\_**2. THIS FINDING IS:**

New

Repeat from Prior year?

Year originally reported? \_\_\_\_\_

**3. Federal Program Name and Year:** \_\_\_\_\_**4. Project No.:** \_\_\_\_\_**5. CFDA No.:** \_\_\_\_\_**6. Passed Through:** \_\_\_\_\_**7. Federal Agency:** \_\_\_\_\_**8. Criteria or specific requirement (including statutory, regulatory, or other citation)**

None

**9. Condition<sup>15</sup>****10. Questioned Costs<sup>16</sup>****11. Context<sup>17</sup>****12. Effect****13. Cause****14. Recommendation****15. Management's response<sup>18</sup>****For ISBE Review**

Date: \_\_\_\_\_

Resolution Criteria Code Number \_\_\_\_\_

Initials: \_\_\_\_\_

Disposition of Questioned Costs Code Letter \_\_\_\_\_

<sup>14</sup> See footnote 11.<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).<sup>17</sup> See footnote 12.<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

**COUNTY OF WINNEBAGO SCHOOL DISTRICT NO. 320****04-101-3200-26****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>****Year Ending June 30, 2018**

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
NONE		

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When possible, all prior findings should be on the same page

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.